90-1815

No. _____

Supreme Court, U.S.
FILED
MAY 21 1991
OFFICE OF THE CLERK

In The

Supreme Court of the United States

October Term, 1990

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY
OF PHILADELPHIA, AIMS, INC.,
MASSACHUSETTS ASSOCIATION PLANS, INC.,
and HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

PETITION FOR A WRIT OF CERTIORARI

STEPHEN M. TRATTNER
LEWIS & TRATTNER
Suite 803
1901 L Street, N.W.
Washington, D.C. 20036

JAMES D. HOLZHAUER
Counsel of Record
LEE N. ABRAMS
MAYER, BROWN & PLATT
190 South LaSalle Street
Chicago, Illinois 60603
(312) 782-0600

Counsel for Petitioner

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTIONS PRESENTED

Petitioner created and used a distinctive bursting-thermometer graphic in advertisements for a dental insurance plan that he called "the hottest dental plan under the sun." Respondent AIMS, Inc., saw and copied the graphic for use in its ads for a medical insurance plan. Petitioner sued, claiming service mark infringement. The district court granted summary judgment for the respondents and the court of appeals affirmed.

The questions presented are:

1. Whether likelihood of confusion in a trademark or service mark infringement case is a question of law or a question of fact.

2. Whether the inclusion of a subsequent user's name along with another's trademark or service mark precludes a finding of likelihood of confusion as a matter of law.

3. Whether a showing of secondary meaning is required in an infringement action involving a distinctive, unregistered, nonverbal mark that suggests a quality or characteristic of the goods or services.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED i

TABLE OF AUTHORITIES iv

OPINIONS BELOW 1

JURISDICTION 2

STATUTORY PROVISION INVOLVED 2

STATEMENT 3

REASONS FOR GRANTING THE PETITION 9

I. The Court Of Appeals' Determination That Likelihood Of Confusion Is A Question Of Law And That No Such Likelihood Exists In This Case Conflicts With The Decisions Of Other Courts Of Appeals And Is Misguided 11

A. As Other Courts Of Appeals Have Recognized, Likelihood Of Confusion Is A Question Of Fact 12

B. As This Court Has Held, The Fact That AIMS Appended Its Own Name To Petitioner's Mark Aggravates The Infringement And Certainly Does Not Eliminate All Likelihood Of Confusion 16

II. The Court Of Appeals' Decision That Petitioner Had To Prove Secondary Meaning Is Incorrect And Conflicts With The Decisions Of Other Courts Of Appeals 20

A. Petitioner's Highly Distinctive Mark Is Not Merely Descriptive Simply Because It Exemplifies A Characteristic Of Petitioner's Insurance Plan 21

TABLE OF CONTENTS – Continued

Page

B. Secondary Meaning Is Not Required In Every Case Involving Unregistered, Non-verbal Marks 24

C. The Initial Confusion Of Industry Executives And The Fact That AIMS Intentionally Copied Petitioner's Mark Demonstrate That Secondary Meaning Had Been Established 26

III. This Court Should Grant The Petition To Resolve The Conflicts Among The Circuits And To Give The Courts Of Appeals Much-Needed Guidance 29

CONCLUSION 30

TABLE OF AUTHORITIES

Page

CASES

AmBrit, Inc. v. *Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987).....19, 22

American Home Products v. *Barr Laboratories*, 834 F.2d 368 (3d Cir. 1987)..... 14

American Scientific Chem., Inc. v. *American Hosp. Supply Corp.*, 690 F.2d 791 (9th Cir. 1982) 26

Amoco Oil Co. v. *Rainbow Snow, Inc.*, 809 F.2d 656 (10th Cir. 1987)..... 14

Anderson v. *Liberty Lobby, Inc.*, 477 U.S. 242 (1986) 16

Audio Fidelity, Inc. v. *High Fidelity Recordings, Inc.*, 283 F.2d 551 (9th Cir. 1960)..... 28

Banff, Ltd. v. *Federated Dept. Stores, Inc.*, 841 F.2d 486 (2d Cir. 1988) 17

Blau Plumbing, Inc. v. *S.O.S. Fix-It, Inc.*, 781 F.2d 604 (7th Cir. 1986)..... 25

Blue Bell Bio-Medical v. *Cin-Bad, Inc.*, 864 F.2d 1253 (5th Cir. 1989)..... 14

CPG Products Corp. v. *Pegasus Luggage, Inc.*, 776 F.2d 1007 (Fed. Cir. 1985)..... 25

Can-Am Eng'g Co. v. *Henderson Glass, Inc.*, 814 F.2d 253 (6th Cir. 1987)..... 25

Centaur Communications, Ltd. v. *A/S/M Communications, Inc.*, 830 F.2d 1217 (2d Cir. 1987)..... 15

Chesebrough Mfg. Co. v. *Old Gold Chem. Co.*, 70 F.2d 383 (6th Cir.), cert. denied, 293 U.S. 599 (1934) 18

TABLE OF AUTHORITIES – Continued

Page

Chevron Chem. Co. v. *Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982) 19, 25

Co-Rect Products, Inc. v. *Marvy! Advertising Photography, Inc.*, 780 F.2d 1324 (8th Cir. 1985) 25

Curtiss-Wright Corp., 183 U.S.P.Q. 621 (TTAB 1974) 24

Dieter v. *B & H Indus.*, 880 F.2d 322 (11th Cir. 1989), cert. denied, 111 S. Ct. 369 (1990) 14

Eclipse Assocs. Ltd. v. *Data General Corp.*, 894 F.2d 1114 (9th Cir. 1990) 15

Elby's Big Boy of Steubenville, Inc. v. *Frisch's Restaurants, Inc.*, 459 U.S. 916 (1982) 14

Estate of P.D. Beckwith, Inc. v. *Commissioner of Patents*, 252 U.S. 538 (1920) 20

Fishing Hot Spots, Inc. v. *Simon & Schuster*, 720 F. Supp. 746 (E.D. Wis. 1989) 21

Forum Corp. of N. America v. *Forum Ltd.*, 903 F.2d 434 (7th Cir. 1990) 14

Frisch's Restaurants, Inc. v. *Elby's Big Boy of Steubenville, Inc.*, 670 F.2d 642 (6th Cir.), cert. denied, 459 U.S. 916 (1982) 15

Fuddruckers, Inc. v. *Doc's B.R. Others, Inc.*, 826 F.2d 837 (9th Cir. 1987) 17, 19

General Electric Co., 209 U.S.P.Q. 425 (TTAB 1980) 24

TABLE OF AUTHORITIES – Continued

Page

Hasbro, Inc. v. *Lanard Toys, Ltd.*, 858 F.2d 70 (2d Cir. 1988) 15

International Kennel Club v. *Mighty Star, Inc.*, 846 F.2d 1079 (7th Cir. 1988) 18

Interpace Corp. v. *Lapp, Inc.*, 721 F.2d 460 (3d Cir. 1983) 27

Inwood Laboratories, Inc. v. *Ives Laboratories, Inc.*, 456 U.S. 844 (1982) 20

Keds Corp. v. *Renee Int'l Trading Corp.*, 888 F.2d 215 (1st Cir. 1989) 14, 18

Keebler Co. v. *Rovira Biscuit Corp.*, 624 F.2d 366 (1st Cir. 1980) 14

LRC Products Ltd., 223 U.S.P.Q. 1250 (TTAB 1984) 23

Laitram Corp., 194 U.S.P.Q. 206 (TTAB 1977) 24

Levi Strauss & Co. v. *Blue Bell, Inc.*, 632 F.2d 817 (9th Cir. 1980) 17

Levi Strauss & Co. v. *Blue Bell, Inc.*, 778 F.2d 1352 (9th Cir. 1985) 15

Life Technologies, Inc. v. *Gibbco Scientific, Inc.*, 826 F.2d 775 (8th Cir. 1987) 15

Little Caesar Enterprises v. *Pizza Caesar, Inc.*, 834 F.2d 568 (6th Cir. 1987) 15

Louisiana World Exposition v. *Logue*, 746 F.2d 1033 (5th Cir. 1984) 23

M. Kramer Mfg. Co. v. *Andrews*, 783 F.2d 421 (4th Cir. 1986) 28

TABLE OF AUTHORITIES – Continued

Page

Marathon Mfg. Co. v. *Enerlite Products Corp.*, 767 F.2d 214 (5th Cir. 1985).....12, 14

Menendez v. *Holt*, 128 U.S. 514 (1888).....10, 17

Miss World (UK) Ltd. v. *Mrs. America Pageants, Inc.*, 856 F.2d 1445 (9th Cir. 1988)..... 15

My-T Fine Corp. v. *Samuels*, 69 F.2d 76 (2d Cir. 1934)..... 28

Nina Ricci, S.A.R.L. v. *E.T.F. Enterprises*, 889 F.2d 1070 (Fed. Cir. 1989)..... 15

Osem Food Indus., Ltd. v. *Sherwood Foods, Inc.*, 917 F.2d 161 (4th Cir. 1990)..... 29

Pizzeria Uno Corp. v. *Temple*, 747 F.2d 1522 (4th Cir. 1984)..... 14

Plus Products v. *Plus Discount Foods, Inc.*, 722 F.2d 999 (2d Cir. 1983) 15

Scandia Down Corp. v. *Euroquilt, Inc.*, 772 F.2d 1423 (7th Cir. 1985), cert. denied, 475 U.S. 1147 (1986) 14

Sweats Fashions, Inc. v. *Pannill Knitting Co.*, 833 F.2d 1560 (Fed. Cir. 1987).....12, 14

Truck Equip. Service Co. v. *Fruehauf Corp.*, 536 F.2d 1210 (8th Cir.), cert. denied, 429 U.S. 861 (1976) 29

Union Mfg. Co. v. *Han Baek Trading Co.*, 763 F.2d 42 (2d Cir. 1985) 25

University of Ga. Athletic Ass'n v. *Laite*, 756 F.2d 1535 (11th Cir. 1985).....22, 25

TABLE OF AUTHORITIES – Continued

Page

Vibrant Sales, Inc. v. *New Body Boutique, Inc.*, 652 F.2d 299 (2d Cir. 1981), cert. denied, 455 U.S. 909 (1982) 25

Weiss Assocs. v. *HRL Assocs.*, 902 F.2d 154C (Fed. Cir. 1990) 14

World Carpets, Inc. v. *Dick Littrell's New World Carpets*, 438 F.2d 482 (5th Cir. 1971) 18, 19

Wynn Oil Co. v. *Thomas*, 839 F.2d 1183 (6th Cir. 1988) 15

MISCELLANEOUS

J. McCarthy, *Trademarks and Unfair Competition* (2d ed. 1984) ..... *passim*

No. _____

In The

Supreme Court of the United States

October Term, 1990

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, AIMS, INC., MASSACHUSETTS ASSOCIATION PLANS, INC., and HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

PETITION FOR A WRIT OF CERTIORARI

Petitioner Thomas M. Murphy, doing business as Thomas M. Murphy & Associates ("Murphy"), petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit.

OPINIONS BELOW

The decision of the United States Court of Appeals for the Second Circuit (App., *infra*, 1a-18a) is reported at

923 F.2d 923.[1] The order of the district court adopting the magistrate's opinion (App., *infra*, 21a-31a) is reported along with the magistrate's opinion at 756 F. Supp. 83.

JURISDICTION

The judgment of the court of appeals was entered on December 21, 1990. The court of appeals modified its opinion and denied petitioner's timely petition for rehearing on January 22, 1991. On April 15, 1991, Justice Marshall issued an order extending the time for filing a petition for a writ of certiorari to and including May 21, 1991. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides:

> § 1125. False designations of origin and false descriptions forbidden
>
> (a) Civil action. Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which –
>
> (1) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
>
> (2) in commmercial advertising or promotion, misrepresents the nature, characteristics,

---

[1] The opinion reproduced in the Appendix includes the modifications made by the court of appeals when it denied the petition for rehearing on January 22, 1991. See App., *infra*, 19a-20a.

qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

STATEMENT

1. This is a service mark infringement case. Petitioner is a third-party administrator who creates, markets, and administers small group insurance plans on behalf of insurance companies. His customers are insurance brokers and agents throughout the country who sell those plans to consumers. App., *infra*, 1a-2a, 21a.

In January 1986 petitioner created and began to market and administer a dental insurance plan called Employers Dental Trust ("EDT"). The plan was initially underwritten by Connecticut General Life Insurance Company. Petitioner advertised the plan as "the hottest dental plan under the sun." In late 1986, petitioner and his advertising agency created a unique and distinctive bursting-thermometer graphic to symbolize the "hot plan." App., *infra*, 2a-3a, 21a-22a; C.A. App. 217, 220. A black-and-white copy of the graphic was appended to the court of appeals' opinion. App., *infra*, 17a. But a better sense of the graphic can be obtained from the full-color copy that was included as an exhibit in the record below. App., *infra*, 32a.

Petitioner used the graphic in national magazine advertisements, direct mailings and personal presentations to brokers and agents.[2] The advertising campaign was so successful that Connecticut General, the EDT underwriter, asked petitioner to find another insurance company with more underwriting experience to insure

---

[2] Petitioner did not register the graphic as a trademark or service mark. App., *infra*, 2a.

the plan; petitioner contracted with Commercial Life to underwrite EDT in May 1987. App., *infra*, 2a, 22a; C.A. App. 221, 223, 226-227, 271.

The bursting-thermometer graphic apparently impressed respondent AIMS, Inc. as well. An AIMS employee clipped out the ad and gave it to an AIMS vice president who was developing an advertising program for one of its health insurance plans, Plan USA.[3] AIMS copied petitioner's graphic and incorporated it in its own advertisements that appeared in the June and July 1987 issues of *Broker's World*, one of the most important trade publications in the insurance field. The appendix to the court of appeals' opinion (App., *infra*, 18a) also included a copy of the AIMS advertisement, but again a better sense of the ad (and of the fact that the graphic was copied from petitioner's ad) may be gotten from the full-color version included in the record below. App., *infra*, 33a. Concerned that brokers and agents who saw AIMS's advertisement in *Broker's World* would assume that *petitioner* was the one copying another's successful advertising symbol,[4] petitioner decided in July 1987 to stop using his thermometer graphic. App., *infra*, 3a, 15a, 22a-33a.

---

[3] Respondent Provident Mutual Life Insurance Company of Philadelphia underwrote Plan USA and approved all advertising for the plan. Respondent Massachusetts Association Plans, Inc., ("MAP") is a distributor for AIMS and an agent of Provident Mutual. MAP used and distributed ads for Plan USA that included the bursting-thermometer graphic. During the course of the proceedings below, bankruptcy proceedings were commenced against respondent AIMS; respondent Harleysville Insurance Companies, which was obligated under policies held by AIMS to pay the cost of AIMS's defense, intervened in this action. App., *infra*, 4a, 23a.

[4] The AIMS advertising campaign using petitioner's distinctive thermometer graphic generated a "phenomenal" response. C.A. App. 336-337.

2. Petitioner filed suit in April 1988, claiming service mark infringement in violation of the Lanham Act and unfair competition under Connecticut law. The district court referred the matter to a magistrate and, on January 29, 1990, the magistrate issued an opinion recommending that summary judgment be entered in favor of respondents. App., *infra*, 21a-31a.

The magistrate first held that because the graphic "functioned as an 'attention-getting device' rather than an identifying mark," it was not entitled to trademark protection. App., *infra*, 25a. The magistrate also questioned whether petitioner's use of the graphic in advertising would be sufficient to impart the protection of the Lanham Act. *Id.* at 25a-26a.

The key determination made by the magistrate was that the thermometer graphic, if entitled to protection at all, would be regarded as a "descriptive mark" because it "graphically represent[s the insurance plan's] salability." App., *infra*, 26a. As such, the graphic would not be protected unless petitioner could demonstrate that the mark had acquired "secondary meaning," *i.e.*, that potential consumers had come to identify the mark with the source of the product and not just the product itself. *Ibid.*

In the magistrate's view, petitioner failed to establish that the bursting-thermometer graphic had established a secondary meaning. Although the magistrate acknowledged (App., *infra*, 28a) that "AIMS *copied* [petitioner's] thermometer," in his view that did not amount to "plagiarism" and was not probative of whether secondary meaning had been established. The statements of petitioner and others in the insurance business that they believed potential customers identified the graphic with petitioner "hardly go beyond the allegations contained in the complaint and do not constitute 'affirmative evidence' from which a jury could reasonably find that secondary meaning was established." Petitioner's use of the graphic for only four months, in the absence of any

supporting consumer studies, evidence of unsolicited media coverage, or evidence of separate advertising expenditures on the graphic do not support a finding of secondary meaning. *Id.* at 27a-28a.

The magistrate also held even if secondary meaning could be established, petitioner would not be able to make the required showing of likelihood of confusion, *i.e.*, that "there exists a 'likelihood that an appreciable number of ordinarily prudent purchasers [will] be misled, or indeed simply confused, as to the source of the goods in question.' " App., *infra*, 28a. In the magistrate's view, the depositions and affidavits filed by petitioner did not establish confusion as to the source of the medical plans, and confusion as to the ownership of the graphic was not relevant to the infringement claim. Moreover, the magistrate held that "[t]here is hardly likelihood of confusion, in any event, where, as here, the names of the products and the plan administrators are clearly indicated." *Id.* at 28a-29a.[5]

On February 7, 1990, the district court adopted the opinion of the magistrate and granted summary judgment on behalf of respondents. App., *infra*, 21a.

3. A divided panel of the court of appeals affirmed. App., *infra*, 1a-18a. For two reasons, the majority held that petitioner could prevail only by showing that the thermometer graphic had acquired a secondary meaning. First, the court agreed with the magistrate that the thermometer graphic was a "descriptive mark" because "it was intended to exemplify [a] quality or characteristic of

---

[5] The magistrate also recommended that summary judgment be granted to respondents on the state law unfair competition claims. App., *infra*, 30a-31a. A default judgment had previously been entered against respondent Massachusetts Association Plans, Inc., which failed to answer the complaint; the magistrate recommended that the default judgment be vacated. *Id.* at 31a n3.

[petitioner's] insurance plan or program," namely, that it was a "hot" seller. *Id.* at 6a. "Marks that are laudatory and that describe the alleged qualities or characteristics of a product or service are descriptive marks" and as such are protected only upon a showing of secondary meaning. *Ibid.* Second, the court relied on Second Circuit "decisions holding that non-verbal marks that are unregistered always require proof of secondary meaning." *Id.* at 7a. The court agreed with the magistrate that there was insufficient evidence to establish secondary meaning.

The court of appeals then turned to the likelihood of confusion issue. The court's consideration of whether summary judgment was appropriate on this issue was grounded in the Second Circuit's rule that "the ultimate determination of likelihood of confusion" is a question of law, rather than one of fact. App., *infra*, 8a. In reviewing the district court's "legal conclusion" that there was no likelihood of confusion, the court placed particular reliance on the fact that both petitioner's ad and the AIMS ad listed the names of the plans, the administrators and the underwriters. The court concluded, as a matter of law, that when the names of the sources are included in the ads, there can be no likelihood of confusion (*id.* at 9a-10a, quoting in part from the magistrate):

> "There is hardly likelihood of confusion, in any event, where, as here, the names of the products and the plan administrators are clearly indicated." Indeed, without any findings by the court below, it is obvious to us from our own examination of [respondents'] advertisement that it cannot reasonably be said to have created confusion as to the source of the services or products in question. It clearly indicated the name of the medical plan, "Plan USA", and its originating source, AIMS, as administrator, and Provident Mutual, as insurer.

In addition, petitioner offered affidavit testimony from three insurance executives that they associated the

thermometer graphic with petitioner, were initially confused when they saw the AIMS advertisement, and assumed from the use of the bursting-thermometer graphic that "Plan USA" was being offered by petitioner. After the executives carefully examined the AIMS ad, however, they realized that it was not one of petitioner's ads. The court of appeals concluded from those circumstances that the executives' initial confusion did not show a likelihood of confusion as to source. App., *infra*, 9a. The court also rejected petitioner's state law unfair competition claims. *Id.* at 11a-12a.[6]

Judge Kearse dissented, finding three "points of disagreement with the majority." App., *infra*, 14a. First, she disagreed with the holding that the thermometer graphic was descriptive. "An exploding thermometer is not descriptive of a dental insurance plan. * * * Even if [the term "hot"] be deemed a descriptive opinion of salability, the use of the bursting thermometer as a graphic means of communicating that opinion was merely suggestive not descriptive." *Ibid.*

Judge Kearse's second point of disagreement was with the majority's holding that the record precluded a finding that the graphic had established a secondary meaning. App., *infra*, 14a-15a. Because "[a]ctual confusion is strong evidence of secondary meaning," the testimony of the three executives who were confused should have precluded summary judgment. *Id.* at 14a-15a. And

---

[6] The court of appeals' rejection of petitioner's state law claim was largely dependent upon its resolution of the federal claims. The court held that "[n]o deception can exist where, as here, the parties' advertisements clearly indicate the names of the respective plans as well as the plan administrators' names." App., *infra*, 12a. The court also held that because the graphic was not entitled to protection as a service mark, there could be no public policy violation and the graphic was "in the public domain." *Ibid.*

the fact that AIMS knowingly copied petitioner's symbol was itself indicative both of the likelihood of confusion and the existence of a secondary meaning. *Id.* at 15a.

Finally, Judge Kearse disagreed with the majority's holding "that as a matter of law there was no likelihood of confusion because AIMS's name appeared on its own ad." App., *infra*, 15a. That fact alone does not as a matter of law eliminate the likelihood of confusion. The record before the magistrate – and particularly the affidavits from the insurance executives who were initially confused by the AIMS ad – included strong evidence of likelihood of confusion. "Though the executives * * * took a close second look at the AIMS ad and were sufficiently knowledgeable to be aware that AIMS and [petitioner] had no connection, I do not think it inferable as a matter of law that every person who saw the ad would be similarly knowledgeable. A reader might assume, erroneously, that, given use of the identical marks, if he called AIMS he would be dealing with [petitioner]." *Id.* at 16a. Accordingly, the award of summary judgment should have been vacated. *Ibid.*

REASONS FOR GRANTING THE PETITION

This case involves several important trademark issues as to which the courts of appeals are in conflict. Perhaps most fundamental (and troubling) is the conflict over whether likelihood of confusion – the "touchstone" issue in all trademark infringement cases – is a question of law or one of fact. The court of appeals affirmed the award of summary judgment and determined that there was no need to submit the case to a jury in light of the Second Circuit rule that likelihood of confusion is a question of law. Thus, even though AIMS's and petitioner's marks were identical and were aimed at the same potential customers, and even though there was evidence *both* that industry executives were initially confused as to the

source of the AIMS insurance plan *and* that AIMS intentionally copied petitioner's ad, the court resolved the likelihood of confusion question as one of law, appropriate for determination by the court at the summary judgment stage. In most other circuits, petitioner's evidence of copying and initial confusion would have been submitted to a jury because likelihood of confusion is regarded as a question of fact.

In addition, the court of appeals' conclusion that there can be no likelihood of confusion when the names of the sources are included is directly contrary to *Menendez* v. *Holt*, 128 U.S. 514, 521 (1888). In *Menendez*, the Court recognized that inclusion of the usurper's name along with another's mark *aggravates*, rather than justifies the misappropriation of the mark. As Judge Kearse pointed out, the fact that the subsequent user appended his name to a competitor's mark does not by itself eliminate the likelihood of confusion. App., *infra*, 15a.

The court of appeals also held that petitioner's distinctive bursting-thermometer mark was descriptive because it exemplified a quality or characteristic of the insurance plan. Yet other courts hold that a mark is not merely descriptive if some degree of imagination is necessary to ascertain what the mark describes. These courts have repeatedly found marks similar to the one at issue in this case to be suggestive, and not merely descriptive. Such marks are entitled to full trademark protection, without a showing of secondary meaning. The court of appeals' rationale would invalidate countless established and approved marks.

In holding that petitioner's mark was not entitled to protection absent a showing of secondary meaning, the court of appeals also relied on previous Second Circuit decisions holding that unregistered, nonverbal marks ("design marks") always require a showing of secondary meaning. App., *infra*, 7a. Other courts of appeals have ruled directly to the contrary, and hold that the same tests

apply for unregistered as for registered design marks. Once again, the Second Circuit's rule casts doubt on the protection to be given to many unregistered design marks.

This Court should grant the petition to resolve the conflicts among the circuits on these important trademark issues and also to prevent the damage to commerce that would ensue if trademark and service mark holders were not protected from the kind of blatant misappropriation that occurred in this case.

I. The Court Of Appeals' Determination That Likelihood Of Confusion Is A Question Of Law And That No Such Likelihood Exists In This Case Conflicts With The Decisions Of Other Courts Of Appeals And Is Misguided

Likelihood of confusion – whether or not it is likely that potential customers will be confused by the concurrent use of similar or identical marks by different users – is an essential element of this and every other trademark infringement case. " 'Likelihood of confusion' is the basic test of both common-law trademark infringement and federal statutory trademark infringement. * * * [T]he test of likelihood of confusion is the touchstone of trademark infringement as well as unfair competition." 2 J. McCarthy, *Trademarks and Unfair Competition* § 23:1, at 42-43, 44 (2d ed. 1984) (hereinafter "*McCarthy*"). Thus, any disagreement among the circuits on the nature of likelihood of confusion goes to the heart of trademark infringement actions and should not lightly be tolerated.

The courts of appeals are in conflict over whether likelihood of confusion is a question of law or one of fact. That issue not only determines the appropriate standard of review on appeal, but, as the Fifth and Federal Circuits have acknowledged, it will often be determinative of whether summary judgment is appropriate. The Fifth

Circuit has held that the ultimate issue of likelihood of confusion is a question of fact, and even when the underlying circumstances are admitted, summary judgment will not ordinarily be appropriate and the jury will have to decide whether under the admitted circumstances confusion is likely. *Marathon Mfg. Co.* v. *Enerlite Products Corp.*, 767 F.2d 214, 217 (5th Cir. 1985). The Federal Circuit, on the other hand, regards likelihood of confusion as a question of law. Therefore it has held that it is an issue as to which summary judgment is "unquestionably" appropriate. *Sweats Fashions, Inc.* v. *Pannill Knitting Co.*, 833 F.2d 1560, 1565 (Fed. Cir. 1987).

In this case, the Second Circuit followed its rule that the "ultimate question" of likelihood of confusion is a question of law, and that the court, rather than the jury, is to decide whether, when all of the relevant factors are considered, a likelihood of confusion exists. App., *infra*, 8a. The court therefore affirmed the award of summary judgment even though there was evidence of actual confusion and of intentional copying – evidence which in other circuits would have been considered by a jury.

A. As Other Courts Of Appeals Have Recognized, Likelihood Of Confusion Is A Question Of Fact

The court of appeals held, as a matter of law, that there could be no likelihood of confusion in this case. As we point out below, the legal rule the court applied (that there can be no likelihood of confusion when the infringer's name is included along with the misappropriated mark) is contrary to the teachings of this Court. But perhaps a more fundamental error was the court's holding that "the ultimate determination of likelihood of confusion" is a question of law. App., *infra*, 8a.

The evidence submitted at the summary judgment stage showed that AIMS's mark was identical to that of

petitioner and was targeted to the same group of potential customers, that AIMS intentionally copied petitioner's graphic, that three industry executives were at least initially confused when they saw AIMS's ad, and that the copying and confusion destroyed the usefulness of the mark to petitioner. Despite all of this evidence, rather than allowing petitioner to submit the case to a jury, the court followed the Second Circuit rule that "ultimate determination of likelihood of confusion" was a question of law for the court to decide. This rule allowed the court to consider the evidence and to hold, as a matter of law, that there was no likelihood of confusion. App., *infra*, 9a-10a.

However, other courts of appeals have concluded that likelihood of confusion is a question of *fact* for the jury to decide. As Professor McCarthy puts it (2 *McCarthy* § 23:22, at 111-112):

> [A] split of opinion has developed, as several federal circuits adhere to the view that findings on likelihood of confusion are factual issues governed by the "clearly erroneous" on appeal. Even within some of the circuits, no consistency is observed, with the court switching from one test to another, apparently depending upon the court's initial proclivity to reverse or affirm. * * * The conclusion of a likelihood of confusion and the factual elements on which it is based is like a chameleon which changes its color from "fact" to "law" and back again, depending on the procedural context and factual setting.

Thus, the critical weighing of the evidence and determination of whether there is a likelihood of confusion is left to the jury in some circuits but is made by the court in others.

Seven of the circuits (the First, Third, Fourth, Fifth, Seventh, Tenth and Eleventh Circuits) definitively regard likelihood of confusion as solely a question of fact for the

jury to decide. As Judge Easterbrook put it for the Seventh Circuit, "the question of likelihood of confusion is all fact and no law." *Scandia Down Corp.* v. *Euroquilt, Inc.*, 772 F.2d 1423, 1428 (7th Cir. 1985), cert. denied, 475 U.S. 1147 (1986) (expressly disagreeing with the approach taken by the Federal Circuit).[7] As the Fifth Circuit recognized in *Marathon*, 767 F.2d at 217, because likelihood of confusion is a question of fact, summary judgment will not ordinarily be appropriate when the parties disagree and present evidence on this issue. See also *Keds Corp.* v. *Renee Int'l Trading Corp.*, 888 F.2d 215, 222 (1st Cir. 1989); *Keebler Co.* v. *Rovira Biscuit Corp.*, 624 F.2d 366, 377 (1st Cir. 1980); *American Home Products* v. *Barr Laboratories*, 834 F.2d 368, 370 (3d Cir. 1987) (acknowledging the conflict among the circuits); *Pizzeria Uno Corp.* v. *Temple*, 747 F.2d 1522, 1526 (4th Cir. 1984) (acknowledging the conflict); *Blue Bell Bio-Medical* v. *Cin-Bad, Inc.*, 864 F.2d 1253, 1260 (5th Cir. 1989); *Forum Corp. of N. America* v. *Forum Ltd.*, 903 F.2d 434, 438 (7th Cir. 1990) (acknowledging the conflict); *Amoco Oil Co.* v. *Rainbow Snow, Inc.*, 809 F.2d 656, 661-662 (10th Cir. 1987); *Dieter* v. *B & H Indus.*, 880 F.2d 322, 325 n.2 (11th Cir. 1989), cert. denied, 111 S. Ct. 369 (1990).

The United States Court of Appeals for the Federal Circuit – which plays an important role in the trademark area (see 15 U.S.C. § 1071 & 28 U.S.C. § 1295) – holds that "[t]he likelihood of confusion is a question of law to be decided by the court." *Weiss Assocs.* v. *HRL Assocs.*, 902 F.2d 1546, 1547 (1990). Because likelihood of confusion is a question of law, the court "may unquestionably resolve that issue on summary judgment." *Sweats Fashions*, 833

---

[7] Justice White dissented from the denial of certiorari in *Scandia Down Corp.* v. *Euroquilt, Inc.*, as he had earlier in *Elby's Big Boy of Steubenville, Inc.* v. *Frisch's Restaurants, Inc.*, 459 U.S. 916 (1982).

F.2d at 1565. See also *Nina Ricci, S.A.R.L.* v. *E.T.F. Enterprises,* 889 F.2d 1070, 1072 (Fed. Cir. 1989).

The Second Circuit rule, which it applied in this case, is that although the "determination[] of the factors used to determine likelihood of confusion" is a question of fact, "the ultimate determination of likelihood of confusion" is a question of law for the court to decide. App., *infra,* 8a. Because in the Second Circuit the "determination of likelihood of confusion based on the balancing of or relative weight given to each of its findings is a legal conclusion," whether there is likelihood of confusion can be determined by the court at the summary judgment stage. *Plus Products* v. *Plus Discount Foods, Inc.,* 722 F.2d 999, 1004-1005 (2d Cir. 1983). See also *Hasbro, Inc.* v. *Lanard Toys, Ltd.,* 858 F.2d 70, 75-76 (2d Cir. 1988); *Centaur Communications, Ltd.* v. *A/S/M Communications, Inc.,* 830 F.2d 1217, 1225 (2d Cir. 1987). The Sixth and Eighth Circuits also regard the ultimate question of likelihood of confusion as one of law for the court to decide. *Wynn Oil Co.* v. *Thomas,* 839 F.2d 1183, 1186 (6th Cir. 1988); *Little Caesar Enterprises* v. *Pizza Caesar, Inc.,* 834 F.2d 568, 570 (6th Cir. 1987); *Frisch's Restaurants, Inc.* v. *Elby's Big Boy of Steubenville, Inc.,* 670 F.2d 642, 651 (6th Cir.), cert. denied, 459 U.S. 916 (1982); *Life Technologies, Inc.* v. *Gibbco Scientific, Inc.,* 826 F.2d 775, 777 (8th Cir. 1987).[8]

---

[8] The Ninth Circuit treats likelihood of confusion as "a mixed question of law and fact * * * which appears to be predominantly factual in nature." *Levi Strauss & Co.* v. *Blue Bell, Inc.,* 778 F.2d 1352, 1355 (9th Cir. 1985) (en banc). But compare *Miss World (UK) Ltd.* v. *Mrs. America Pageants, Inc.,* 856 F.2d 1445, 1448 (9th Cir. 1988) (referring to likelihood of confusion as a "legal conclusion"), with *Eclipse Assocs. Ltd.* v. *Data General Corp.,* 894 F.2d 1114, 1116 n.1 (9th Cir. 1990) (explaining that the *Miss World* decision "inadvertently * * * misstated" the *Levi Strauss* rule and "was simply an oversight").

This Court should grant certiorari to resolve the conflict among the circuits over this critical issue. As this case demonstrates, whether likelihood of confusion is a question of law or fact will be important in summary judgment cases as well as in cases where the confusion issue is presented on appeal. It will determine whether it is the court or a jury that must weigh the evidence and ultimately determine whether customers are likely to be confused. Ordinarily, "at the summary judgment stage the judge's function is not himself to weigh the evidence and determine the truth of the matter" (*Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986)), but that is just what judges in the Second Circuit must do as a result of that court's rule that the ultimate determination of likelihood of confusion is a question of law.

B. As This Court Has Held, The Fact That AIMS Appended Its Own Name To Petitioner's Mark Aggravates The Infringement And Certainly Does Not Eliminate All Likelihood Of Confusion

Having determined that likelihood of confusion is a question of law, the court of appeals held, as a matter of law, that there could be no likelihood of confusion in this case because AIMS's name, as well as that of its health plan ("Plan USA") and underwriter (Provident Mutual) appeared on its ad. " 'There is hardly likelihood of confusion, in any event, where, as here, the names of the products and the plan administrators are clearly indicated.' " App., *infra*, 9a (quoting from the magistrate's opinion).

Once again, Judge Kearse could not accept the majority's analysis (App., *infra*, 15a):

> [T]he majority seems to believe that as a matter of law there was no likelihood of confusion because AIMS's name appeared on its own ad. The mere fact, however, that the junior user's

> name is included in the similar material does not as a matter of law eliminate the likelihood of confusion.

The court of appeals' analysis is contrary to this Court's recognition, over one hundred years ago, that a subsequent user's inclusion of its own name on another's mark "is an aggravation and not a justification" of the infringement. *Menendez* v. *Holt*, 128 U.S. 514, 521 (1888).

Unlike the Second Circuit in this case,[9] other courts of appeals have recognized that inclusion of a subsequent user's name along with the misappropriated mark does not by itself eliminate any likelihood of confusion. In fact, in many cases (including this one), it may actually *increase* the confusion. It certainly cannot be concluded as a matter of law that the inclusion of the competitor's name eliminates the likelihood of confusion. At the very least, that evidence should be regarded as "properly part of the factual determination left to the jury." *Fuddruckers, Inc.* v. *Doc's B.R. Others, Inc.*, 826 F.2d 837, 846 n.13 (9th Cir. 1987).

In *Levi Strauss & Co.* v. *Blue Bell, Inc.*, 632 F.2d 817, 822 (9th Cir. 1980), the Ninth Circuit rejected the very same argument that the Second Circuit adopted in this case:

> Wrangler indicates that its pants were clearly labeled to indicate source. It asserts that its label prominently carried the word WRANGLER and the pants carried a paper billboard

---

[9] As Judge Kearse pointed out, the court of appeals' analysis represents a departure from a previous decision of the Second Circuit. In *Banff, Ltd.* v. *Federated Dept. Stores, Inc.*, 841 F.2d 486, 492 (2d Cir. 1988), the court held that a subsequent user's "attachment of its company name * * * does not offset the marks' similarity because the name is in very small letters and may actually increase the misappropriation by linking defendant's name to plaintiff's goodwill."

> identifying Wrangler as the manufacturer. Therefore, argues Wrangler, a purchaser of those pants would not be likely to be confused into believing that they originated with Strauss. The argument is without merit.

See also *Keds Corp.* v. *Renee Int'l Trading Corp.*, 888 F.2d 215, 222 (1st Cir. 1989) (rejecting argument "that any confusion about the origin of the goods is resolved because [the subsequent user] impress[es] its name on the label"); *International Kennel Club* v. *Mighty Star, Inc.*, 846 F.2d 1079, 1088-1089 (7th Cir. 1988) (rejecting argument that the defendant's use of its own label, "24K Polar Puff," along with the other's mark, decreases the likelihood of confusion); *Chesebrough Mfg. Co.* v. *Old Gold Chem. Co.*, 70 F.2d 383, 385 (6th Cir.), cert. denied, 293 U.S. 599 (1934) (fact that "appellee places on its article distinguishing marks by which it could be identified by a careful and discriminating purchaser" does not eliminate likelihood of confusion). Cf. *World Carpets, Inc.* v. *Dick Littrell's New World Carpets*, 438 F.2d 482 (5th Cir. 1971) (likelihood of confusion found even though subsequent user included its name along with the mark).

The court of appeals should have applied the commonsense approach used in other cases, and considered the inclusion of AIMS's name on its ad as just one of the factors to be considered in determining likelihood of confusion. Among the other factors that should have been considered was the fact that the two competing marks were identical; that factor alone would have gone a long way toward proving that potential customers were likely to be confused. As Professor McCarthy has observed, "[c]ases where a defendant uses an identical mark on competitive goods hardly ever find their way into appellate reports. Such cases are 'open and shut' and do not involve protracted litigation to determine liability for trademark infringement." 2 *McCarthy* § 23:3, at 56.

There was also evidence of actual confusion in this case, the kind of evidence that other courts have regarded as nearly conclusive (and certainly as strong enough to preclude summary judgment). See, *e.g.*, *Fuddruckers*, 826 F.2d at 845 ("[e]vidence of actual confusion is persuasive proof" of likelihood of confusion); *AmBrit, Inc.* v. *Kraft, Inc.*, 812 F.2d 1531, 1543-1544 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987) (actual confusion "is the best evidence of likelihood of confusion"; four instances of actual confusion sufficient); *Chevron Chem. Co.* v. *Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 704 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982) (actual confusion is "patently the best evidence of likelihood of confusion"); *World Carpets*, 438 F.2d at 489 ("[t]here can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion"). See also 2 *McCarthy* § 23:2, at 51-54.[10]

---

[10] In addition to holding that there was no likelihood of confusion as a matter of law because AIMS included its name on the copied ad, the court of appeals held that petitioner's evidence of initial confusion as to the source of AIMS's ad was irrelevant to the question of whether customers might be confused as to the source of the insurance plans being advertised. App., *infra*, 9a. We do not understand how, if industry executives were confused over whether the ads were created by petitioner or by AIMS, the court could say that customers would not be confused over whether the ad was for petitioner's services or those of AIMS. But in any event, as Judge Kearse emphasized, "[t]his evidence of actual confusion is strong evidence of likelihood of confusion * * * [and even] [t]hough the executives who presented affidavits here took a close second look at the AIMS ad and were sufficiently knowledgeable to be aware that AIMS and [petitioner] had no connection, [it is not] inferable as a matter of law that every person who saw the ad would be similarly knowledgeable." *Id.* at 16a.

All of petitioner's evidence should have been submitted to a jury to make the factual determination of likelihood of confusion. The court of appeals should not have regarded that determination as a question of law and thus should not have taken it upon itself to determine the "ultimate" factual question in this case.

II. The Court Of Appeals' Decision That Petitioner Had To Prove Secondary Meaning Is Incorrect And Conflicts With The Decisions Of Other Courts Of Appeals

As the court of appeals held, trademarks or service marks that are laudatory or that merely describe a quality or characteristic of goods or services are regarded as descriptive marks. App., *infra*, 6a. They are entitled to protection only if it can be shown that they have acquired a secondary meaning, *i.e.*, that potential customers have come to associate the mark with "the source of the product rather than the product itself." *Inwood Laboratories, Inc.* v. *Ives Laboratories, Inc.*, 456 U.S. 844, 851 n.11 (1982). "[T]he function of a trade-mark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied, and words merely descriptive of qualities, ingredients, or characteristics, when used alone, do not do this." *Estate of P.D. Beckwith, Inc.* v. *Commissioner of Patents*, 252 U.S. 538, 543 (1920). See also 1 *McCarthy* § 11:9, at 453-457.

The court of appeals held that petitioner had to prove secondary meaning because his bursting-thermometer graphic was descriptive and because, in the court's view, secondary meaning must *always* be shown in infringement cases involving unregistered, nonverbal marks. In addition, the court held as a matter of law that petitioner's mark had not established a secondary meaning. As we demonstrate below, not only was the court of appeals incorrect in each of these respects, but its ruling also conflicts with decisions of other courts.

A. Petitioner's Highly Distinctive Mark Is Not Merely Descriptive Simply Because It Exemplifies A Characteristic Of Petitioner's Insurance Plan

Although other courts might disagree,[11] the court of appeals may have been correct in holding that absent a showing of secondary meaning, petitioner could not claim service mark protection in his use of the terms "hot" or "hottest * * * under the sun" to describe the sales potential of his dental plan. But the court of appeals took this rule a large step further, and held as a matter of law that a unique, inherently distinctive graphic used to symbolically represent a quality or characteristic of a product or service is itself "merely descriptive" and entitled to no protection without a showing of secondary meaning. The court of appeals majority reached that conclusion even though, as Judge Kearse put it (App., *infra*, 14a; citations omitted):

> An exploding thermometer is not descriptive of a dental insurance plan. Neither the insurance plan nor the service that would administer it has any temperature. The term "hot" is used to suggest that the plan would be highly desirable and salable. Even if that term be deemed a descriptive opinion of salability, the use of the bursting thermometer as a graphic means of communicating that opinion was merely suggestive not descriptive * * * and the overall thrust of the bursting-thermometer mark in connection with a dental benefits plan was surely arbitrary or fanciful.

---

[11] See, *e.g.*, *Fishing Hot Spots, Inc.* v. *Simon & Schuster*, 720 F. Supp. 746 (E.D. Wis. 1989) (term "Fishing Hot Spots" held to be suggestive, and not merely descriptive of productive places to fish).

The court of appeals' analysis is impossible to reconcile with that of two other circuits that have considered the issue. *AmBrit, Inc.* v. *Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987), involved two manufacturers of ice cream bars that were wrapped in pebbled silver foil with a graphic depicting the arctic sun and a polar bear on a royal blue background. AmBrit began marketing its "Klondike" bars in the 1940s. For some time in the late 1970s Kraft distributed the Klondike bar. In 1979, Kraft decided to develop and market its own, virtually identical ice cream bar and to use similar colors and symbols on its wrapper.

As part of its defense of AmBrit's infringement suit, Kraft claimed that the images used by AmBrit were merely descriptive and "that the silver foil, the color royal blue, and the arctic sun and polar bear images all connote cold and are therefore not inherently distinctive when used in connection with ice cream bars." 812 F.2d at 1536-1537. The Eleventh Circuit disagreed, and held that AmBrit's wrapper "does not describe the ice cream product, rather it suggests to the consumer the coldness of the product. Such trade dress is inherently distinctive * * * ." 812 F.2d at 1537.[12] The court of appeals' decision in this case is directly to the contrary; the court held that because the bursting-thermometer graphic suggested a quality of the insurance plan ("hot" sales), the mark is merely descriptive. Clearly the Eleventh Circuit would have reached the opposite conclusion.

---

[12] The Eleventh Circuit's analysis in *AmBrit* was consistent with its earlier reasoning in *University of Ga. Athletic Ass'n* v. *Laite*, 756 F.2d 1535 (11th Cir. 1985). There the court held that the University of Georgia bulldog symbol was not merely descriptive – and thus no showing of secondary meaning was required – even though the bulldog may have exemplified some attributes of the University's football team. 756 F.2d at 1541 & n.16.

The Fifth Circuit would also disagree with the court of appeals' analysis in this case. In *Louisiana World Exposition* v. *Logue*, 746 F.2d 1033 (5th Cir. 1984), the sponsors of the 1984 New Orleans World's Fair developed a trademark consisting of "a circle (representing the globe), an undulating line (representing a river), and a blue and silver color scheme" with the number "84" printed inside the circle. 746 F.2d at 1037. The undulating line in the globe exemplified the theme of the Fair, "Rivers of the World – Fresh Water as a Source of Life." *Ibid.* When a T-shirt vendor (Logue) began to use a similar graphic, the Fair sponsors brought a trademark infringement action. The court of appeals specifically addressed and rejected the argument that the mark was merely descriptive (746 F.2d at 1040):

> Plaintiff's blue and silver emblem or service mark is a circle with an undulating line and "84" printed across it. The circle representing our planet and the line representing a river complement the Fair's theme "Rivers of the World – Fresh Water as a Source of Life." We hold that Plaintiff's emblem is suggestive and therefore protectable.

Even though the World's Fair trademark exemplified the fresh water *theme* of the Fair, the mark was held to be suggestive. But in this case, the Second Circuit held that because the bursting-thermometer graphic exemplified the *theme* of petitioner's advertising campaign – hot sales – it was descriptive.

The Second Circuit's approach is also contrary to that of the United States Patent and Trademark Office. That can be seen both from the reported decisions of the Trademark Trial and Appeal Board and from the trademarks that the office approves for inclusion on the Principal Register. For example, in *LRC Products Ltd.*, 223

U.S.P.Q. 1250 (1984), the Trademark Trial and Appeal Board held that a glove manufacturer was entitled to register its trademark consisting of the outlines of two overlapping gloved hands, one yellow and the other white. The Board held that "while the mark may suggest or resemble the goods [*i.e.*, gloves], it does not merely describe the goods" and therefore is not merely descriptive. 223 U.S.P.Q. at 1252. See also *General Electric Co.*, 209 U.S.P.Q. 425 (TTAB 1980) (stylized graphic depicting electrical cord and plug was suggestive, not merely descriptive); *Laitram Corp.*, 194 U.S.P.Q. 206 (TTAB 1977) (fanciful zig-zag design suggested the goods – conveyor belting – and was not merely descriptive); *Curtiss-Wright Corp.*, 183 U.S.P.Q. 621 (TTAB 1974) (design representing rotor mechanism of rotary engine – an "essential element" of the product – suggested the product, but was not merely descriptive). If stylized graphics representing the goods themselves are regarded as suggestive, not merely descriptive, then surely a stylized graphic representing a quality or characteristic of the goods (salability) is also suggestive and not merely descriptive.

This Court should grant the petition to resolve the conflict among the circuits on the question of whether a stylized graphic that exemplifies a quality or characteristic of a product or service is to be regarded as suggestive (and thus entitled to protection) or as merely descriptive (and thus entitled to protection only upon a showing of secondary meaning).

B. Secondary Meaning Is Not Required In Every Case Involving Unregistered, Nonverbal Marks

In addition to holding that petitioner needed to prove secondary meaning because his graphic was merely descriptive, the court of appeals also held that "non-verbal marks that are unregistered *always* require

proof of secondary meaning." App., *infra*, 7a (emphasis added). That is consistent with previous decisions of the Second Circuit. See *Union Mfg. Co.* v. *Han Baek Trading Co.*, 763 F.2d 42, 48 (2d Cir. 1985); *Vibrant Sales, Inc.* v. *New Body Boutique, Inc.*, 652 F.2d 299, 304 (2d Cir. 1981), cert. denied, 455 U.S. 909 (1982). The Sixth and Eighth Circuits have followed the Second Circuit's approach. *Can-Am Eng'g Co.* v. *Henderson Glass, Inc.*, 814 F.2d 253, 256 (6th Cir. 1987); *Co-Rect Products, Inc.* v. *Marvy! Advertising Photography, Inc.*, 780 F.2d 1324, 1330 (8th Cir. 1985).

Other courts of appeals have expressly rejected the Second Circuit's rule, however, and do not require a showing of secondary meaning for unregistered, nonverbal marks (often referred to as "design marks"). See, *e.g.*, *University of Ga. Athletic Ass'n* v. *Laite*, 756 F.2d at 1540-1541. See also *Blau Plumbing, Inc.* v. *S.O.S. Fix-It, Inc.*, 781 F.2d 604, 608 (7th Cir. 1986); *CPG Products Corp.* v. *Pegasus Luggage, Inc.*, 776 F.2d 1007, 1012 (Fed. Cir. 1985); *Chevron Chem. Co.* v. *Voluntary Purchasing Groups, Inc.*, 659 F.2d at 702. These courts apply the same rule for unregistered design marks as for registered design marks: secondary meaning is required only for merely descriptive marks, and not in every case as the Second Circuit holds.

We believe, along with the leading commentator in the trademark field, that there is no justification for treating unregistered design marks differently in this regard. See 2 *McCarthy* § 27:3, at 349-350 and Supp. 1990 at 109. Yet the Second Circuit is persisting in its misguided rule even though other circuits have followed the opposite approach. This Court should grant the petition to resolve this conflict.

C. The Initial Confusion Of Industry Executives And The Fact That AIMS Intentionally Copied Petitioner's Mark Demonstrate That Secondary Meaning Had Been Established

Even if this were a case in which proof of secondary meaning would be required, the court of appeals' conclusion that petitioner's mark had not acquired a secondary meaning is incorrect in at least two respects. First, as other courts have held, the initial confusion of industry executives was strong proof of secondary meaning. As Judge Kearse put it in her dissent (App., *infra*, 14a-15a):

> [A]ssuming that [petitioner] was required to show secondary meaning, the record below precludes a ruling that his bursting-thermometer mark had no such meaning as a matter of law. Three industry executives submitted affidavits stating that they associated the bursting-thermometer mark with [petitioner]. At least two of them immediately mistook the AIMS ad for that of [petitioner]. Actual confusion is strong evidence of secondary meaning. See, *e.g.*, 1 J. McCarthy, *Trademarks and Unfair Competition* § 15:12, at 688 (2d ed. 1984).

Although secondary meaning and likelihood of confusion are separate concepts in trademark law, they are factually related: if someone in the industry is confused when he sees someone using a mark that he has come to associate with another, that confusion shows also that secondary meaning (association of the mark with a particular producer) has been established. See 1 *McCarthy* § 15:3, at 666.

Indeed, other courts have regarded proof of actual confusion to be very strong evidence of secondary meaning, and certainly as much more than is needed to create a genuine issue of fact precluding summary judgment. For example, in *American Scientific Chem., Inc.* v. *American Hosp. Supply Corp.*, 690 F.2d 791 (9th Cir. 1982), the Ninth Circuit reversed a judgment in favor of the defendant.

The trial court – very much like the court of appeals majority in this case – emphasized the lack of a consumer survey or extensive advertising expenditures in holding that secondary meaning had not been established. But the court of appeals held that the evidence that some customers and suppliers were actually confused proved secondary meaning. The district court's conclusion to the contrary was "clearly erroneous." 690 F.2d at 793. See also *Interpace Corp.* v. *Lapp, Inc.*, 721 F.2d 460, 462 (3d Cir. 1983) ("secondary meaning exists when consumers seeing a trademark assume that the product it labels came from a particular source").

In this case, even though three insurance industry executives submitted affidavits stating that they confused the AIMS insurance plan for one of petitioner's, the court of appeals affirmed the award of summary judgment and held that no secondary meaning could be established. The court concluded that because on closer look the executives realized the AIMS ad was not one of petitioner's, there was no ultimate confusion and thus no evidence of secondary meaning. App., *infra*, 9a. But, as the Third and Ninth Circuits have recognized, such confusion shows that the executives associated the mark with petitioner. In short, the executives' initial confusion showed that secondary meaning had been established. Under the circumstances, summary judgment was inappropriate.

The court of appeals majority also rejected petitioner's argument that the fact that AIMS intentionally copied petitioner's mark showed that the mark had acquired a secondary meaning. Again Judge Kearse disagreed (App., *infra*, 15a):

> Further, AIMS concedes, as it must (compare Exhibits A and B hereto), that the marks used in the two ads are identical; and the record shows that, during the period in which AIMS was developing its own ad, an AIMS employee had

> clipped [petitioner's] ad out of the *Life Association News* and had given it to the person in charge of designing AIMS's ad. "Evidence that defendant knowingly imitated or copied plaintiff's symbol has long been regarded as probative of likely customer confusion. Thus, such evidence is also probative of the existence of secondary meaning." 1 *McCarthy* § 15:12, at 688 (footnote omitted).

"[P]roof of knowing imitation is probative of likely (and actual) confusion, which, in turn, is probative of secondary meaning." 1 *McCarthy* § 15:12, at 688.[13]

At least three other circuits have followed the approach advocated by Professor McCarthy and Judge Kearse, but abandoned by the court of appeals majority.[14] For example, in *M. Kramer Mfg. Co.* v. *Andrews*, 783 F.2d 421, 448 (4th Cir. 1986), the Fourth Circuit held that "evidence of intentional, direct copying establishes a prima facie case of secondary meaning sufficient to shift the burden of persuasion to the defendant on that issue * * * ." And in *Audio Fidelity, Inc.* v. *High Fidelity Recordings, Inc.*, 283 F.2d 551, 558 (9th Cir. 1960), the court of appeals held that "proof of copying * * * is sufficient to

---

[13] The court of appeals majority did not respond at all to Judge Kearse's argument that proof of intentional copying was probative of the existence of a secondary meaning. The magistrate held – rather incongruously – that even though it was "apparent that AIMS copied [petitioner's] thermometer," that does not show secondary meaning absent proof that AIMS "inten[ded] to deceive or mislead * * * ." App., *infra*, 28a.

[14] Ironically, other circuits have frequently cited a Second Circuit decision by Judge Learned Hand as the source of the rule that proof of deliberate copying is proof of secondary meaning. *My-T Fine Corp.* v. *Samuels*, 69 F.2d 76, 77 (2d Cir. 1934). Unfortunately, the court of appeals majority abandoned Judge Hand's sensible approach.

establish a secondary meaning * * * . There is no logical reason for the precise copying save an attempt to realize upon a secondary meaning that is in existence." See also *Osem Food Indus., Ltd.* v. *Sherwood Foods, Inc.*, 917 F.2d 161, 163-164 (4th Cir. 1990); *Truck Equip. Service Co.* v. *Fruehauf Corp.*, 536 F.2d 1210, 1220 n.13 (8th Cir.), cert. denied, 429 U.S. 861 (1976).

This Court should grant the petition to make it clear that evidence of actual confusion and evidence of intentional copying can demonstrate secondary meaning.

III. This Court Should Grant The Petition To Resolve The Conflicts Among The Circuits And To Give The Courts Of Appeals Much-Needed Guidance

Although this Court does not consider many trademark cases, this case demonstrates that there has developed a significant disarray among the courts of appeals on critical trademark issues. There is a clear, acknowledged, and persistent conflict among the circuits on whether the touchstone issue in all trademark infringement cases – likelihood of confusion – is a question of law or a question of fact. In addition to determining the standard of review applicable on appeal, that issue has great importance when parties seek summary judgment. Beyond that, the courts disagree on such basic issues as how to characterize marks (as descriptive, suggestive or arbitrary), what protection is to be given to unregistered marks, how to determine whether secondary meaning has been established, and the consequences of deliberate, intentional copying.

It is time for the Court to resolve the conflict on the bedrock "likelihood of confusion" issue, as well as to give the courts of appeals much-needed guidance on the other issues presented in this case. Something is clearly wrong with the law when the kind of blatant, deliberate misappropriation that occurred in this case can go unchecked.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

STEPHEN M. TRATTNER
LEWIS & TRATTNER
Suite 803
1901 L Street, N.W.
Washington, D.C. 20036

JAMES D. HOLZHAUER
Counsel of Record
LEE N. ABRAMS
MAYER, BROWN & PLATT
190 South LaSalle Street
Chicago, Illinois 60603
(312) 782-0600

Counsel for Petitioner

May 1991

Thomas M. MURPHY d/b/a
Thomas M. Murphy & Associates,
Plaintiff-Appellant,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, and AIMS, Inc.,
Defendants-Appellees,

and

HARLEYSVILLE INSURANCE COMPANIES,
Intervening-Appellees.

No. 169, Docket 90-7335.

United States Court of Appeals,
Second Circuit.

Argued Oct. 1, 1990.

Decided Dec. 21, 1990.

As Amended Jan. 22, 1991.

Before FEINBERG, VAN GRAAFEILAND, and KEARSE, Circuit Judges.

VAN GRAAFEILAND, Circuit Judge:

Thomas M. Murphy appeals from a summary judgment of the United States District Court for the District of Connecticut (Eginton, J.) dismissing Murphy's servicemark infringement and unfair competition claims. We affirm.

In recent years, insurance brokers and third party administrators (TPAs) have strongly favored the use of the word "hot" in their advertisements. The following scattered examples are typical:

> What's RED HOT about cafeteria plans; WE MATCH HOT IDEAS WITH HOT PRODUCTS;

> A HOT NEW TEAM IN TOWN; NOW! The 'Hot' Products in Small Group; 3 Hot UL's; Newest, Hottest Plan in the Market; Color this plan RED HOT; HOT NEW YEAR SPECIAL; Hot New Annuity Product; A new HOT term product; It's Hot; Hot Stuff; WHY IT'S SO HOT; The Hottest Sale in Life Insurance; Your hot line; THE HOTTEST SPWL AROUND; The Hottest Income Generators.

Not surprisingly, many of the advertisements in which these words were used contained symbols that expressed the concept of heat, such as flames, burning matches, torches, and fire spouting dragons.

Murphy, a TPA who marketed and administered small group insurance plans to brokers and agents, went along with the crowd. In January 1986 Murphy began to administer a stand-alone dental health insurance plan that he created, called "Employers Dental Trust". During 1986, Murphy's advertisement described Employers Dental Trust as "the hottest dental plan in the insurance industry." While other advertisements used burning matches, torches, etc. to carry out the concept of hot sales, Murphy's used a steaming coffee cup. In late 1986 Murphy changed his advertisement by describing his plan as "the hottest dental plan under the sun" and substituting a bursting thermometer for the coffee cup. This advertisement appeared in the January and February 1987 issues of *Life Association News,* an insurance industry trade publication. Murphy maintains that he continued to use the thermometer graphic in direct mailings and personal presentations to brokers and agents until June 1987. Murphy did not register the thermometer symbol as a trademark or servicemark, and his advertisement did not

contain a copyright, trademark, or servicemark notice. Indeed, the bursting thermometer idea was not unique with Murphy. Other advertisements, in and out of the insurance industry, used it when the concept of hot sales was being pushed. For example, a June 30, 1987 advertisement of *Insurance Times*, an insurance industry weekly newspaper, contained a bursting thermometer and the words "the hotter it gets, the better we like it."

AIMS, Inc., also a TPA, began in early 1987 to administer a stand-alone medical health plan called "Plan USA" that was underwritten by Provident Mutual Life Insurance Company of Philadelphia. AIMS created an advertisement for Plan USA that included the words "Brand New and Red Hot" and contained a bursting thermometer identical to the one in Murphy's advertisement. AIM's advertisement for Plan USA appeared in the June and July 1987 issues of *Broker World*, another insurance industry trade publication. AIMS did not publish it thereafter. Murphy returned briefly to his thermometer advertisement with insertions in two July 1987 trade publications and the August 1987 issue of *Financial Times*. Beginning in September 1987, Murphy changed the theme of his advertising from hot sales to boosted sales and replaced the thermometer with a man on a rocket. In May 1988 he changed again, this time to the theme of rising sales, with a man in a balloon replacing the man on a rocket.

Murphy brought this action in April 1988, claiming servicemark infringement under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), and unfair competition under Connecticut law. Defendants-appellees moved for summary judgment, and the district court referred the case to Magistrate Thomas P. Smith. In a well-reasoned

opinion, Smith held that Murphy had no right of recovery under either federal or state law. Following *de novo* review, the district court adopted and affirmed the magistrate's opinion.

After the magistrate filed his opinion, chapter 7 bankruptcy proceedings were commenced against AIMS, and the bankruptcy court stayed further proceedings in this action against AIMS. As a result of AIM's bankruptcy, Harleysville Insurance Companies, which were obligated under insurance policies held by AIMS to pay the cost of its defense, intervened in this action in order to protect their interest in securing reimbursement of attorneys' fees and costs expended in providing AIMS with a defense.

Murphy's claim is based primarily on the similarity between the use of the words "hot" and "hottest" and the identity in appearance of the thermometers. However, similarity, even identity, is not enough if Murphy had no interest in the words and the graphic that entitled him to restrict their use. *Centaur Communications, Ltd. v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1221 (2d Cir.1987); *American Television & Communications Corp. v. American Communications & Television, Inc.*, 810 F.2d 1546, 1548 (11th Cir.1987). In Murphy's complaint, he alleged the existence of such proprietary interest by asserting that he owned a protectable servicemark in his "hot campaign and his thermometer." The court below correctly held that he had neither.

In brief, a servicemark is a word, name, or symbol used to identify and distinguish the services of one person from the services of others. *See West & Co. v. Arica*

Institute, Inc., 557 F.2d 338, 340 n.1 (2d Cir.1977); 15 U.S.C. § 1127. Our first task, therefore, is to identify the "services" whose source Murphy is seeking to identify. Since the Lanham Act does not define the term, we may look to prior judicial decisions for help. Clearly, the term does not apply to goods or products. *Application of Radio Corp. of America*, 40 C.C.P.A. 1025, 205 F.2d 180, 182 (1953). Moreover, it does not apply to services that are solely for the benefit of the performer; the services must be rendered to others. *In re Dr Pepper Co.*, 836 F.2d 508, 509 (Fed.Cir. 1987); *In re Advertising & Marketing Development Inc.*, 821 F.2d 614, 619 (Fed.Cir. 1987). Assuming that Murphy's sale of his insurance expertise to others may be treated as a service under the Act, the advertising of this service, as distinguished from its performance, may not. *See In re Dr Pepper, supra*, 836 F.2d at 509-12; *Application of Orion Research, Inc.*, 523 F.2d 1398, 1399-1400 (C.C.P.A. 1975); *see also Häagen-Dazs, Inc. v. Frusen Glädjé, Ltd.*, 493 F.Supp. 73, 75 (S.D.N.Y. 1980). In short, the theme of Murphy's advertising campaign is not a service for which a servicemark could be claimed. It follows that, if Murphy was selling insurance, a product, rather than his expertise in the field, he performed no services that a servicemark might be said to identify.

Murphy contends, of course, that he was selling services rather than a product. Defendants contend, on the other hand, that he was selling a product, an insurance plan or program. They point to statements in Murphy's complaint and depositions, and in the advertisement itself, that so state. The magistrate observed that, although Murphy's complaint described his claimed

mark as a servicemark, Murphy used the terms servicemark and trademark interchangeably in his legal memoranda. It is not surprising, therefore, that the magistrate couched much of his discussion in trademark terms. Indeed, under the facts of this case, it makes little difference whether Murphy is claiming a trademark or a servicemark. A servicemark differs from a trademark only in that a servicemark identifies services rather than goods. *West & Co., supra,* 557 F.2d at 340 n. 1; Evans, *A Primer on Trademarks and Service Marks,* 18 St. Mary's L.J. 137, 139 (1986). Whether a mark is one or the other, the standards for determining infringement are essentially the same. *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.,* 604 F.2d 200, 203 n.3 (2d Cir.1979); *West & Co., supra,* 557 F.2d at 340 n.1.

As pointed out above, during the time at issue herein the insurance brokerage industry was committed to the "hot" theme in its advertising. Both the words and the graphics in the advertisements were intended to convey the idea of "hot" sales in a new and specialized area of business. The thermometer in Murphy's advertisement was no exception; it was intended to exemplify this quality or characteristic of his insurance plan or program. The magistrate correctly concluded, therefore, that, if the thermometer graphic in Murphy's advertisement was a mark at all, it was a descriptive mark. Marks that are laudatory and that describe the alleged qualities or characteristics of a product or service are descriptive marks. *See Centaur Communications, supra,* 830 F.2d at 1220; *20th Century Wear, Inc. v. Sanmark-Stardust, Inc.,* 747 F.2d 81, 87-88 (2d Cir.1984), *cert. denied,* 470 U.S. 1052, 105 S.Ct. 1755, 84 L.Ed.2d 818 (1985). Indeed, the notion of a "hot" product

is a common marketing technique. If Ford Motor Company advertised its cars as "hot" and used a thermometer in the advertisements, would the thermometer be protected absent a showing of secondary meaning? We think not. Murphy used the thermometer in this manner, to advertise "the hottest dental plan under the sun." The magistrate thus properly found that Murphy could prevail only if he established that the mark had acquired secondary meaning and that there was a likelihood of confusion as to the source of the insurance plans represented in the advertisement. *See Centaur Communications, supra,* 830 F.2d at 1221. This conclusion finds support in our circuit in decisions holding that non-verbal marks that are unregistered always require proof of secondary meaning. *See Union Mfg. Co. v. Han Baek Trading Co.,* 763 F.2d 42, 48 (2d Cir.1985); *Vibrant Sales, Inc. v. New Body Boutique, Inc.,* 652 F.2d 299, 304 (2d Cir.1981), *cert. denied,* 455 U.S. 909, 102 S.Ct. 1257, 71 L.Ed.2d 448 (1982).

A mark acquires second meaning when its primary significance in the minds of the consuming public is the producer rather than the product, *i.e.,* the public must associate the product with a particular source. *Centaur Communications, supra,* 830 F.2d at 1221. Although we have suggested a number of factors that may be weighed in determining the existence of secondary meaning, *see Centaur Communications, supra,* 830 F.2d at 1222, we realize that the existence of secondary meaning and likelihood of confusion are not to be determined by application of a rigid formula, *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.,* 799 F.2d 867, 872 (2d Cir.1986). "[N]o precise guidelines are applicable and no single factor is

determinative." *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 663 (2d Cir.1979), *cert. denied*, 445 U.S. 951, 100 S.Ct. 1601, 63 L.Ed.2d 787 (1980). The crucial question is whether the public is moved to buy a product because of its source. *Id.* "To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself." *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 851 n.11, 102 S.Ct. 2182, 2187 n. 11, 72 L.Ed.2d 606 (1982); *see LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 78 (2d Cir.1985); *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1059 (2d Cir.1979).

The usual standard of review of a district court's finding on this issue of secondary meaning is whether it is clearly erroneous. *See McGregor-Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1133 n. 4 (2d Cir.1979). Similarly, the district court's determinations of the factors used to determine likelihood of confusion as set out in *Polaroid Corp v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir.), *cert. denied*, 368 U.S. 820, 82 S.Ct. 36, 7 L.Ed.2d 25 (1961), are subject to the clearly erroneous standard, although the ultimate determination of likelihood of confusion based on these findings of fact is a legal conclusion reviewable *de novo*. *See Centaur Communications, supra*, 830 F.2d at 1225. We are aware that the appeal comes to us from a grant of summary judgment so that there were no evidentiary findings in the usual sense made by the magistrate or by the district court, and we must review the record to see if there are "genuine issues" regarding material facts, drawing all reasonable inferences in favor of the nonmoving party.

The magistrate referred specifically to the several factors we identified as useful in *Centaur Communications, supra,* 830 F.2d at 1222, and *Thompson Medical Co. v. Pfizer, Inc.,* 753 F.2d 208, 217 (2d Cir.1985). He found that no consumer studies had been undertaken and that no unsolicited media coverage had occurred. He found no evidence of expenditures that were related solely to Murphy's thermometer advertisement. He found also that the thermometer had not been used for a sufficient period of time to become associated in the minds of the public with Murphy. He found that Murphy had not come forward with any probative evidence of a likelihood of confusion. Murphy argues that he had provided evidence of actual confusion with the affidavits of three insurance executives in which they state that they associated the thermometer graphic with Murphy and were initially confused when they saw the AIMS advertisement, thinking that Murphy had created it. However, to be relevant, Murphy's evidence of confusion must address the issue of whether the allegedly infringing advertisement created confusion as to the source of the insurance plans depicted in the advertisement. The three insurance executives stated that they were not confused as to the source of the plan. We agree with the magistrate's view that Murphy had not provided sufficient probative evidence to allow a jury to conclude that there was a likelihood of confusion.

Citing *Bose Corp. v. Linear Design Labs, Inc.,* 467 F.2d 304, 310 (2d Cir.1972), the magistrate said, "There is hardly likelihood of confusion, in any event, where, as here, the names of the products and the plan administrators are clearly indicated." Indeed, without any findings by the court below, it is obvious to us from our own

examination of defendants-appellees' advertisement that it cannot reasonably be said to have created confusion as to the source of the services or products in question. It clearly indicated the name of the medical plan, "Plan USA", and its originating source, AIMS, as administrator, and Provident Mutual, as insurer. *Cf. Filmways Pictures, Inc. v. Marks Polarized Corp.*, 552 F.Supp. 863, 867 (S.D.N.Y.1982).

Although Murphy's complaint contained no reference to trade dress, he argues that he gained trade dress rights in his advertisement containing the thermometer graphic. Defendants-appellees contend that this issue is not properly before this court because it was neither alleged nor argued below. The reason for such omission is quite obvious. Trade dress involves the total image of a product and may include features such as size, shape, color or color combinations, texture, or graphics, *Stormy Clime, Ltd. v. Progroup, Inc.*, 809 F.2d 971, 974 (2d Cir.1987). Murphy contends that his mark was a servicemark, a mark that concededly played no role in the performance of the services. Neither the word "hot" nor the thermometer was incorporated in or made a part of the plans or programs that Murphy produced. Although in a proper case a particular sales technique might be treated as part of a product's trade dress, *see John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir.1983), the contents of Murphy's advertisements, standing alone, cannot be considered as trade dress for his services. Under the circumstances, the court below did not err in failing to adopt the concept of trade dress.

Murphy's suggestion that, unlike the Eighth Circuit in *Black & Decker Mfg. Co. v. Ever-Ready Appliance Mfg. Co.*,

684 F.2d 546 (8th Cir.1982), we adopt the doctrine of "secondary meaning in the making" is equally without merit. If this court ever decides to adopt the concept of secondary meaning in the making, a decision that the Federal Circuit believes we are unlikely to make, *see Cicena, Ltd. v. Columbia Telecommunications Group*, 900 F.2d 1546, 1548-50 (Fed.Cir.1990), this is not the case in which to do it. Group insurance plans and programs do not remain "new" and "hot" for very long, as is evidenced by the fact that Murphy changed his advertisement four times in three years. If the doctrine of secondary meaning in the making were to be applied in this case, it conceivably could be applied every time Murphy changed his advertisement. *Cf. PAF S.r.l. v. Lisa Lighting Co.*, 712 F.Supp. 394, 407 (S.D.N.Y. 1989).

Murphy's final contention is that Connecticut's unfair competition law prevents defendants-appellees from using Murphy's thermometer graphic. The parties have treated this claim as arising under the Connecticut Unfair Trade Practices Act, Conn.Gen.Stat.Ann. § 42-110a to 110q (West 1987 & Supp.1990) (CUTPA). Section 42-110b(a) of CUTPA provides that "[n]o person shall engage in unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce." In determining whether a practice violates CUTPA, Connecticut courts examine the following three criteria: "(1) [W]hether the practice, without necessarily having been previously considered unlawful, offends public policy as it has been established by statutes, the common law, or otherwise – whether, in other words, it is within at least the penumbra of some common law, statutory, or other established concept of unfairness; (2)

whether it is immoral, unethical, oppressive, or unscrupulous; (3) whether it causes substantial injury to consumers [(competitors or other businessmen)]." *Web Press Services Corp. v. New London Motors, Inc.* 203 Conn. 342, 355, 525 A.2d 57 (1987) (quoting *FTC v. Sperry & Hutchinson Co.*, 405 U.S. 233, 244-45 n.8, 92 S.Ct. 898, 905-06, 31 L.Ed.2d 170 (1972)).

A violation of CUTPA may be established by showing either an actual deceptive practice or a practice amounting to a violation of public policy. *Web Press, supra*, 203 Conn. at 355, 525 A.2d 57. Murphy has not provided any evidence that anyone was deceived by defendants-appellees' use of the thermometer graphic. No deception can exist where, as here, the parties' advertisements clearly indicate the names of the respective plans as well as the plan administrators' names. Additionally, Murphy's claims do not indicate a public policy violation. Because the thermometer graphic did not attain servicemark status, the graphic was left in the public domain. Absent some legally defined exclusive right, the law permits and encourages imitation and copying of marks that are in the public domain. *See Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231-32, 84 S.Ct. 784, 781-82, 11 L.Ed.2d 661 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 237-38, 84 S.Ct. 779, 781-82, 11 L.Ed.2d 669 (1964); *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905-908 (2d Cir.1980). We agree with the court below that the record does not disclose a violation of Connecticut law.

In sum, we believe that this case was decided correctly in the court below and we affirm.

KEARSE, Circuit Judge, dissenting:

While I would perhaps have little difficulty upholding the judgment dismissing the complaint if it had been entered after a trial, I must respectfully dissent from the decision to affirm the dismissal on summary judgment.

Though at a trial there would be factual issues as to, *inter alia*, credibility, likelihood of confusion, and damages, this case was decided on the motion of defendants AIMS, Inc. ("AIMS"), *et al.*, for summary judgment. On such a motion, the record should have been viewed in the light most favorable to plaintiff Thomas M. Murphy as the nonmoving party. *See, e.g., United States v. Diebold, Inc.*, 369 U.S. 654, 655, 82 S.Ct. 993, 994, 8 L.Ed.2d 176 (1962); *Ramseur v. Chase Manhattan Bank*, 865 F.2d 460, 465 (2d Cir.1989). Any weighing of the evidence is the prerogative of the finder of fact, not an exercise for the court on summary judgment. *See, e.g., Frito-Lay, Inc. v. Morton Foods, Inc.*, 316 F.2d 298, 301 (10th Cir.1963) (court cannot properly grant summary judgment on ground that weight of evidence negates likelihood of confusion).

Taken in the light most favorable to Murphy, the record in the present case shows, *inter alia*, that in January 1987, Murphy began using a bursting-thermometer mark in his national advertisements; that his sales increased dramatically after he began using this graphic; and that AIMS knowingly and intentionally copied Murphy's bursting thermometer, see Exhibit A hereto, for its own ads, see Exhibit B hereto. When other insurance industry executives, according to two affidavits submitted in the district court, first saw AIMS's bursting-thermometer ad, they immediately believed it to be a Murphy ad. After

being informed of this and being advised (a) that the identical appearance of the two graphics was confusing, and (b) that others in the industry would probably assume that it was Murphy who had copied from his larger competitor, and not the other way around, Murphy ceased using his own bursting-thermometer mark.

I have several points of disagreement with the majority. First, the majority holds that Murphy cannot prevail in his present suit unless he can show that his bursting-thermometer mark had acquired secondary meaning. The premise for this ruling is that the term "hot" is a descriptive term, not an arbitrary one. In the present context, *i.e.*, dental benefits plans, this premise is questionable. An exploding thermometer is not descriptive of a dental insurance plan. Neither the insurance plan nor the service that would administer it has any temperature. The term "hot" is used to suggest that the plan would be highly desirable and salable. Even if that term be deemed a descriptive opinion of salability, the use of the bursting thermometer as a graphic means of communicating that opinion was merely suggestive not descriptive, *see, e.g., Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir.1976) (discussing various degrees of Lanham Act protection accorded depending on whether term is "generic," "descriptive," "suggestive," or "arbitrary or fanciful"), and the overall thrust of the bursting-thermometer mark in connection with a dental benefits plan was surely arbitrary or fanciful.

Second, assuming that Murphy was required to show secondary meaning, the record below precludes a ruling that his bursting-thermometer mark had no such meaning as a matter of law. Three industry executives submitted

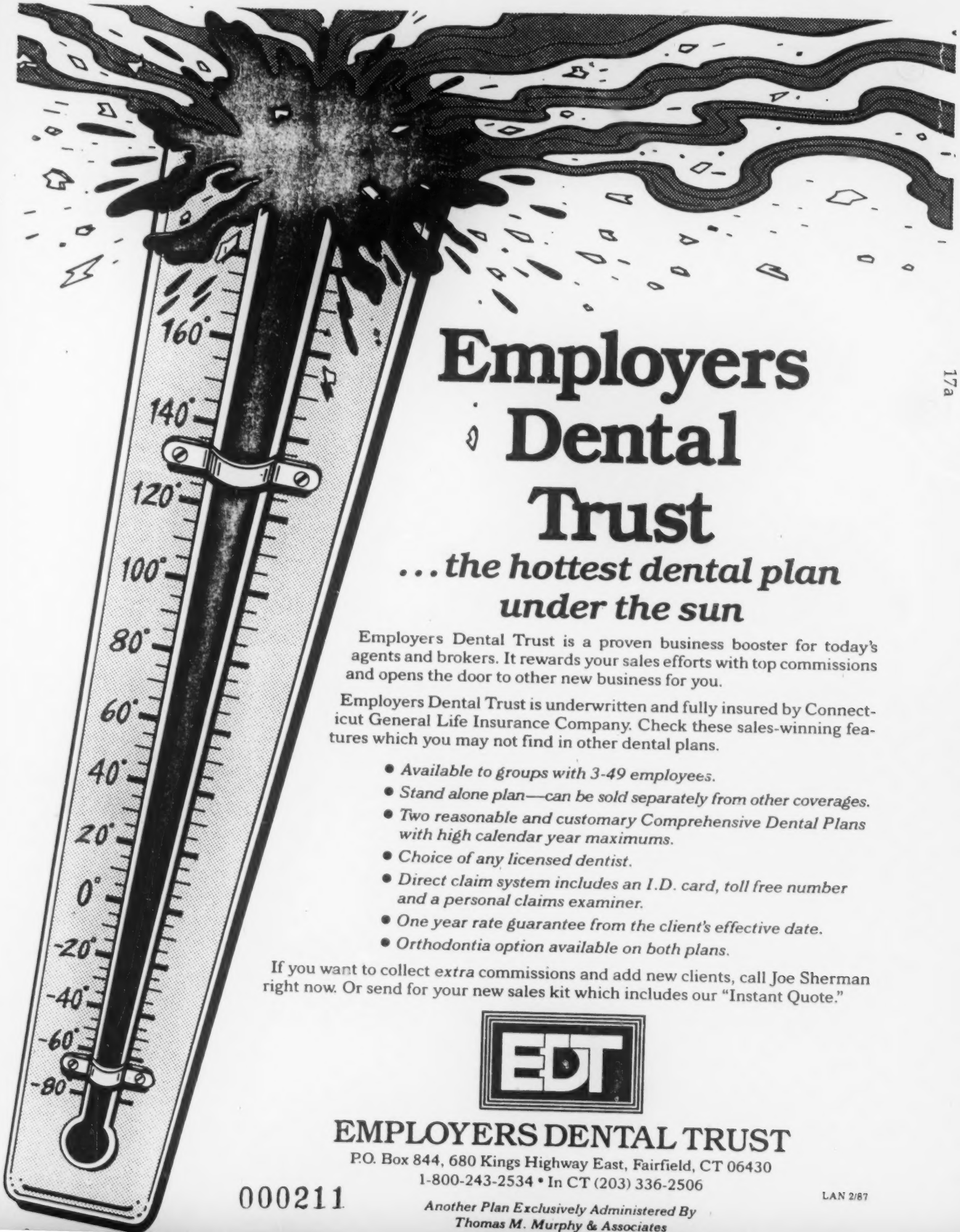
affidavits stating that they had associated the bursting-thermometer mark with Murphy. At least two of them immediately mistook the AIMS ad for that of Murphy. Actual confusion is strong evidence of secondary meaning. *See, e.g.*, 1 J. McCarthy, *Trademarks and Unfair Competition* § 15:12, at 688 (2d ed. 1984) ("McCarthy"). Further, AIMS concedes, as it must (compare Exhibits A and B hereto), that the marks used in the two ads are identical; and the record shows that, during the period in which AIMS was developing its own ad, an AIMS employee had clipped Murphy's ad out of the *Life Association News* and had given it to the person in charge of designing AIMS's ad. "Evidence that defendant knowingly imitated or copied plaintiff's symbol has long been regarded as probative of likely customer confusion. Thus, such evidence is also probative of the existence of secondary meaning." McCarthy § 15.12, at 688 (footnote omitted).

Finally, the majority seems to believe that as a matter of law there was no likelihood of confusion because AIMS's name appeared on its own ad. The mere fact, however, that the junior user's name is included in the similar material does not as a matter of law eliminate the likelihood of confusion. *See, e.g., Banff, Ltd. v. Federated Department Stores, Inc.*, 841 F.2d 486, 492 (2d Cir.1988). I think it plain that the record in this case contained evidence sufficient at least to create a genuine issue of fact as to the likelihood of confusion. As indicated above, there is evidence of copying, and copying is probative of likelihood of confusion. *See* McCarthy § 15.12, at 688. Further, two industry executives submitted affidavits stating that when they say the AIMS copy they immediately thought it was a Murphy ad. Indeed, an AIMS employee at his

deposition initially mistook the Murphy ad for the AIMS ad. This evidence of actual confusion is strong evidence of likelihood of confusion. *See e.g., Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 259 (2d Cir.1987); *World Carpets, Inc. v. Dick Littrell's New World Carpets*, 438 F.2d 482, 489 (5th Cir. 1971) ("There can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion. . . . [V]ery little proof of actual confusion would be necessary to prove the likelihood of confusion."). Though the executives who presented affidavits here took a close second look at the AIMS ad and were sufficiently knowledgeable to be aware that AIMS and Murphy had no connection, I do not think it inferable as a matter of law that every person who saw the ad would be similarly knowledgeable. A reader might assume, erroneously, that, given use of the identical marks, if he called AIMS he would be dealing with Murphy.

The majority concludes that because the careful and knowledgeable executives who submitted affidavits here were not ultimately confused, the evidence of their immediate confusion was not "probative." I regard the majority's conclusion as one that does not draw all permissible inferences in favor of the party opposing summary judgment and as one that invades the province of the jury.

In sum, taking the evidence in the light most favorable to Murphy, the Murphy mark had industry recognition, and the AIMS ad that was copied from it created confusion as to the source of the services offered. In these circumstances, I believe the granting of summary judgment was improper. I would vacate the judgment and remand the matter for trial.



Employers Dental Trust

...the hottest dental plan under the sun

Employers Dental Trust is a proven business booster for today's agents and brokers. It rewards your sales efforts with top commissions and opens the door to other new business for you.

Employers Dental Trust is underwritten and fully insured by Connecticut General Life Insurance Company. Check these sales-winning features which you may not find in other dental plans.

- *Available to groups with 3-49 employees.*
- *Stand alone plan—can be sold separately from other coverages.*
- *Two reasonable and customary Comprehensive Dental Plans with high calendar year maximums.*
- *Choice of any licensed dentist.*
- *Direct claim system includes an I.D. card, toll free number and a personal claims examiner.*
- *One year rate guarantee from the client's effective date.*
- *Orthodontia option available on both plans.*

If you want to collect *extra* commissions and add new clients, call Joe Sherman right now. Or send for your new sales kit which includes our "Instant Quote."

EDT

EMPLOYERS DENTAL TRUST

P.O. Box 844, 680 Kings Highway East, Fairfield, CT 06430
1-800-243-2534 • In CT (203) 336-2506

000211

LAN 2/87

Another Plan Exclusively Administered By
Thomas M. Murphy & Associates

17a

BRAND NEW & RED HOT!

PROVIDENT MUTUAL PLAN U·S·A

18a

Introducing PLAN USA – the brand new and red hot group medical plan that's causing quite a stir in the brokerage community! This new plan, for groups of 2 - 14 employees, is insured by Provident Mutual Life Insurance Company (Rated A+ [Superior]:XV by A.M. Best) and features a true 100% plan. (Insured pays a deductible – Choice of $125 or $250 and PLAN USA pays 100% of the balance of covered medical expenses.)

Once you see the sales winning features, we're sure you'll agree – PLAN USA sizzles. Its great benefits and competitive rates will leave the competition smoldering!

Write or phone for your Plan USA Sales Kit and do it today!

PLAN USA – IT'S RED HOT!

FULLY INSURED BY

PROVIDENT MUTUAL
A.M. BEST RATED A+
PHILADELPHIA, PENNSYLVANIA

AVAILABLE ONLY THROUGH

AIMS
7996 North Point Blvd./P.O. Box 11107
Winston-Salem, North Carolina 27116-9984
Phone 1-800-USA-AIMS

DISTRIBUTOR CONTRACTS AVAILABLE

CALL

1-800-USA-AIMS

TEAR ALONG DOTTED LINE

☐ YES! RUSH MY PLAN USA SALES KIT TODAY

NAME: _____

ADDRESS: _____

_____

PHONE: _____

Complete and return to: AIMS, P.O. Box 11107, Winston-Salem, NC 27116-9984

000215

UNITED STATES COURT OF APPEALS
For the Second Circuit

At a stated term of the United States Court of Appeals, in and for the Second Circuit, held at the United States Courthouse, in the City of New York, on the 22nd day of January, one thousand nine hundred and ninety-one.

THOMAS M. MURPHY d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Plaintiff-Appellant,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, and AIMS, INC.,

Defendants-Appellees,

and

HARLEYSVILLE INSURANCE COMPANIES,

Intervening-Appellees.

A petition for rehearing, having been filed by plaintiff-appellant in the above entitled case,

Upon consideration by the panel that heard the appeal, it is ordered as follows:

1. The opinion of the Court filed December 21, 1990 is amended as follows:

a. The first sentence in the second paragraph on page 905 of the slip opinion that begins with the words "We can only set aside"

has been changed to "The usual standard of review of a district court's finding on this issue of secondary meaning is whether it is clearly erroneous."

b. The second sentence of the same paragraph that begins with "Similarly, the district court's determination" has been changed to "Similarly, the district court's determinations."

c. At the end of that same paragraph we have added the sentence "We are aware that the appeal comes to us from a grant of summary judgment so that there were no evidentiary findings in the usual sense made by the magistrate or by the district court, and we must review the record to see if there are 'genuine issues' regarding material facts, drawing all reasonable inferences in favor of the nonmoving party."

d. The last sentence in the first paragraph on page 906 of the slip opinion that begins with the words "The magistrate thus properly found" has been replaced with "We agree with the magistrate's view that Murphy had not provided sufficient probative evidence to allow a jury to conclude that there was a likelihood of confusion."

2. The petition for rehearing is DENIED.

Hon. Ellsworth A.
Van Graafeilano

Hon. Wilfred Feinberg

Circuit Judges

Thomas M. MURPHY, d/b/a Thomas M. Murphy & Assoc., Plaintiff,

v.

PROVIDENT MUTUAL LIFE INSURANCE CO. OF PHILADELPHIA, et al., Defendants.

Civ. No. B-88-231(WWE).

United States District Court,
D. Connecticut.

Feb. 7, 1990.

EGINTON, District Judge.

The well reasoned opinion of the Magistrate is hereby ADOPTED, RATIFIED and AFFIRMED. The clerk is directed to enter summary judgment against the plaintiff. The clerk is directed to close this case.

MAGISTRATE'S OPINION

Plaintiff brought this action pursuant to section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), alleging an infringement of common-law service marks and unfair competition. Defendants Provident Mutual Insurance Company ("Provident Mutual") and AIMS, Inc. ("AIMS") have moved separately for summary judgment.

As an insurance plan administrator, plaintiff promotes and markets various insurance products to general agents and brokers, who in turn attempt to sell these products to consumers. In early 1986, plaintiff began to administer the Employees Dental Trust ("EDT"), a "stand-alone" dental health insurance plan underwritten by Connecticut General Insurance Company. Plaintiff initially promoted EDT with an advertisement stating that it was "the hottest dental plan in the insurance industry"

and illustrated with a steaming coffee cup. *See* Addendum to Defendant AIMS' Memorandum, (Filing No. 90), Exhibit A1. In late 1986, plaintiff developed a follow-up advertisement for EDT, which described the product as "the hottest dental plan under the sun" and was illustrated with a large graphic of a bursting thermometer. *See* Complaint, Exhibit A. This advertisement first appeared in the January and February 1987 issues of "Life Association News," an insurance industry trade publication. Plaintiff did not register the thermometer symbol as a trademark, and the ad did not contain either a copyright or trademark notice. Plaintiff also alleges that in March and April 1987 EDT was promoted through direct mailings of fliers, presumably identical to the thermometer print advertisement, to general agents and insurance brokers.

Also in early 1987, defendant AIMS began to administer a "stand-alone" medical health plan called Plan USA, underwritten by defendant Provident Mutual. After seeing the EDT advertisement, AIMS developed an ad to promote Plan USA which included the words "Brand New and Red Hot" and was illustrated with a bursting thermometer. The Murphy and AIMS thermometers were identical. The Plan USA ad appeared in the April, May, June and July 1987 issues of "Broker's World," another insurance industry trade publication.

Prior to its appearance in the July 1987 issue, defendant AIMS was contacted by the advertising agency that created the EDT ad, M.L. Smith Marketing Services ("MLS"). At MLS's request, AIMS apparently indicated that it would discontinue its use of the thermometer artwork following the ad's appearance in the July issue.

See Addendum to Defendant AIMS' Memorandum (Filing No. 90), Exhibit A30. AIMS then developed a new advertisement to promote Plan USA, featuring a flame graphic. AIMS did not publish the thermometer advertisement after July 1987, but plaintiff alleges that other materials, such as sales kits, which included the same thermometer graphic, continued to be distributed through August 1987 and remained "in use" until November 1987. *See* Plaintiff's Statement of Material Facts in Dispute (Filing No. 98), ¶112. Plaintiff's thermometer ad reappeared in two July 1987 trade publications and the August issue of "Financial Times." Subsequently plaintiff chose to discontinue his own use of the thermometer graphic, allegedly because defendants' ads were confusingly similar.

At the threshold, defendants argue that the plaintiff lacks standing under § 43(a) to pursue a claim of trademark infringement since plaintiff is not the owner of the disputed graphic. The magistrate notes that the clear and unambiguous language of the contract between the plaintiff and MLS states that "all drawings . . . or artwork prepared by or under the supervision of [MLS] are, and remain the sole property of [MLS] . . . " Defendant Provident Mutual's Memorandum (Filing No. 65), Exh. F. It is also noted that while the MLS affidavit permits plaintiff to pursue this action by contradicting the above, MLS has not effected an assignment or other transfer of ownership, thereby potentially preserving its right to claim a proprietary interest in the graphic at some later date. In any event, the question of ownership is immaterial to standing under § 43(a), since standing may lie with mere users of trademarks. *Silverstar Enters. Inc. v. Aday,* 537 F.Supp. 236, 241 (S.D.N.Y. 1982).

Because section 43(a) of the Lanham Act prohibits "false designation of [the] origin" of goods or services, *see* 15 U.S.C. § 1125(a), it protects against the appropriation of any mark or symbol, whether registered or unregistered, which is used to identify the source of a product and is intended to differentiate the product or service from others. *Thompson Medical Co. v. Pfizer, Inc.*, 753 F.2d 208, 212 (2d Cir. 1985). There are three requirements for a word or symbol to be considered for this protection, and to qualify as a trademark:

> (1)(a) tangible symbol . . . ; (2) . . . actual adoption and use of the symbol as a mark by a manufacturer or seller of goods or services; (3) . . . [the symbol] identif[ies] and distinguish[es] the seller's goods from goods made and sold by others.

1 J. McCarthy, *Trademarks and Unfair Competition*, § 3:1 (2d ed. 1984).

With these criteria in mind, it should be clear that to the extent plaintiff is claiming the right to the exclusive use of a "hot" theme or "hot" campaign, protection is not available under § 43(a). *See Haagen-Dazs, Inc. v. Frusen Gladje Ltd.*, 493 F.Supp. 73, 75 (S.D.N.Y. 1980). When an advertising theme is expressed in tangible words and/or symbols, then those words or symbols may be protectible. The cases cited by plaintiff as having extended protection to advertising campaigns in fact focused on specific, tangible elements of those campaigns. *See, e.g., Dreyfus Fund, Inc. v. Royal Bank*, 525 F.Supp. 1108 (S.D.N.Y. 1981).

Since plaintiff cannot prevent defendants from adopting a similarly *themed* advertising campaign, he may be entitled to protect that component of the EDT ad which

was allegedly copied, namely the thermometer graphic. It is apparent, however, that the graphic was neither used as a mark or functioned to identify and distinguish EDT from other plans, and therefore does not qualify as a potentially protectible trademark.

It is beyond dispute that the thermometer artwork was used and functioned as an "attention-getting device" rather than an identifying mark. *See* Plaintiff's Partial Opposition (Filing No. 97), at 38. Its presence in the ad was dictated by plaintiff's desire to *promote* EDT; the words "Employees Dental Trust" and the square EDT logo were meant to identify and distinguish the plan from other insurance products.

Because the thermometer artwork did not function as a trademark, plaintiff cannot pursue his claim under § 43(a). A different result would serve to contravene federal copyright law by permitting virtually unlimited protection of artwork and other graphic materials under the Lanham Act when such protection is not available under the copyright statute.

It is also questionable whether the graphic's use in advertisements would, assuming the other requirements were satisfied, be sufficient to impart trademark protection. Plaintiff refers to the thermometer illustration as both a servicemark and a trademark; his use of trademark in his legal memoranda is disingenious given his exclusive use of servicemark in the complaint. The distinction is critical to the question of whether plaintiff has used the alleged mark in a manner adequate to prevent a competitor from appropriating the mark. *See generally LaSociete Anonyme des Parfums LeGalion v. Jean Patou, Inc.*, 495 F.2d

1265 (2d Cir. 1974). Advertising alone has been found to be insufficient to establish trademark rights. *See Quill Corp. v. LeBlanc*, 654 F.Supp. 380, 386 (D.N.H. 1987).

Even if it assumed that the thermometer artwork qualified as a trademark, its eligibility for protection under § 43(a) would depend upon its classification as generic, descriptive, suggestive, or arbitrary. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). The facts of the present case can only support the conclusion that plaintiff's thermometer would be considered a descriptive mark. As noted above, the thermometer illustration promotes EDT by graphically representing its salability. "Marks which are merely 'laudatory' and descriptive of the alleged merit of a product are . . . regarded as being descriptive." 1 J. McCarthy, *supra*, § 11:5(B).

As a descriptive mark, plaintiff's thermometer symbol would still not be entitled to the protection of § 43(a) unless it could be shown that it has acquired "secondary meaning." *Thompson Medical Co. v. Pfizer, Inc.*, 753 F.2d 208, 213 n. 9 (2d Cir. 1985); 1 J. McCarthy, *supra*, § 11:5(B). A mark acquires secondary meaning when " 'the *primary* significance of the symbol in the minds of the consuming public is not the product but the producer.' " *Centaur Communications v. A/S/M Communications*, 830 F.2d 1217, 1221 (2d Cir. 1987). Given that plaintiff's marketing activities were not directed towards the general public but rather towards insurance agents and brokers, it would be sufficient to show only that "a substantial segment of [this] relevant group . . . made the requisite association between [the thermometer graphic] and the [plaintiff]." *Centaur*, 830 F.2d at 1222.

Several factors have been identified as useful in determining whether secondary meaning has accrued: (1) the amount spent in advertising the service or product; (2) the results of consumer studies; (3) unsolicited media coverage of the product; (4) its sales success; (5) attempts by competitors to plagiarize the symbol; and (6) the length and exclusivity of the plaintiff's use of the mark. *Centaur,* 830 F.2d at 1222; *Thompson Medical,* 753 F.2d at 217. No single factor is determinative, however, and every element need not be proved; "[e]ach case . . . must therefore be resolved by reference to the relevant factual calculus." *Id.*

Despite ample opportunity to do so, the plaintiff has failed to come forward with sufficient evidence to support the conclusion that secondary meaning attached to the thermometer symbol. The only testimonial evidence plaintiff has offered are his own statements or statements from business associates expressing their *belief* that the requisite identification took place. These statements hardly go beyond the allegations contained in the complaint and do not constitute "affirmative evidence" from which a jury could reasonably find that secondary meaning was established. *Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 252, 106 S.Ct. 2505, 2512, 91 L.Ed.2d 202 (1986). It is further conceded that no consumer studies were undertaken and that no unsolicited media coverage occurred. All of the other evidence offered by the plaintiff refers to the "hot campaigns" used to promote EDT; it is not specific, for example, as to the expenditures solely related to the thermometer advertisement. Also, contrary to his assertion, *see* Plaintiff's Partial Opposition (Filing No. 97), at 31 n. 1, plaintiff has not established that

defendants plagiarized the EDT artwork. While it is apparent that AIMS *copied* the Murphy thermometer, plagiarism implies an intent to deceive or mislead that has simply not been demonstrated. Finally, although there is no fixed rule regarding the length of time a symbol must be in use before it can acquire a secondary meaning, *see* 1 J. McCarthy *supra*, § 15:2, the plaintiff's use of the thermometer graphic for four months prior to the defendant's use, coupled with a lack of any other probative evidence, is insufficient to establish that the graphic became associated with the plaintiff prior to April 1987.

However, if secondary meaning is also assumed, then plaintiff can recover for trademark infringement under § 43(a) only if there exists a "likelihood that an appreciable number of ordinarily prudent purchasers [will] be misled, or indeed simply confused, as to the source of the goods in question." *Mushroom Makers, Inc. v. R.G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir. 1978), *cert. denied*, 439 U.S. 1116, 99 S.Ct. 1022, 59 L.Ed.2d 75 (1979). Although an extensive list of factors relevant to this inquiry was set forth in *Polaroid Corp. v. Polarad Elects. Corp.*, 287 F.2d 492, 495 (2d Cir.), *cert. denied*, 368 U.S. 820, 82 S.Ct. 36, 7 L.Ed.2d 25 (1961), and later cases have supplemented this list, *see, e.g., McGregor-Doniger Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1140 (2d Cir. 1979), it has also been noted that "the complexities attendant to an accurate assessment of likelihood of confusion require that the entire panoply of elements constituting the relevant factual landscape be comprehensively examined." *Thompson Medical*, 753 F.2d at 214.

The "landscape" of the present case is hardly panoramic. Despite having deferred his response to the

defendants' motions with respect to this issue for eleven months, the plaintiff has not come forward with *any* probative evidence that would tend to indicate that the AIMS ad was likely to cause confusion within the meaning of § 43(a).

The difficulty with plaintiff's evidence is apparent from his accompanying memoranda. Plaintiff argues that various depositions and affidavits establish that the AIMS ad caused confusion as to: (1) the source of Plan USA and (2) "reverse" confusion as to the source of the hot campaign and thermometer symbol. *See* Plaintiff's Opposition (Filing 138) at 3.

Under § 43(a), however,

> confusion is the misimpression that the senior user [plaintiff] is the source of the junior user's [defendant's] goods. Reverse confusion is the misimpression that the junior user is the source of the senior user's goods.

Banff Ltd. v. Federated Dept. Stores, Inc., 841 F.2d 486, 490 (2d Cir. 1988); *see also* 2 J. McCarthy, *supra*, § 23:1. Plaintiff's own statements, upon which he primarily relies, simply do not address the issue of confusion as to the source of Plan USA. Nor is confusion as to the ownership of the "hot thermometer campaign and the thermometer symbol" relevant to plaintiff's claim of trademark infringement. *See* Plaintiff's Memorandum, Exhibit D, ¶26 (Affidavit of Thomas M. Murphy); Exhibit H, ¶11 (Affidavit of Joel Whitten). There is hardly likelihood of confusion, in any event, where, as here, the names of the products and the plan administrators are clearly indicated. *See Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304, 310 (2d Cir. 1972).

Because the record does not reflect "any significant probative evidence tending to support" plaintiff's allegations that defendant's advertisements were likely to cause confusion, *see First National Bank v. Cities Service Co.*, 391 U.S. 253, 290, 88 S.Ct. 1575, 1593, 20 L.Ed.2d 569 (1968), assuming plaintiff could satisfy the other prerequisites, he would ultimately not be entitled to relief on the first count.[1]

Since defendants' motion should be granted with respect to the Lanham Act claim, it follows that it should also be granted as to plaintiff's second count, alleging a violation of Connecticut's common-law of unfair competition. In their memoranda, the parties have treated this claim as having been brought under the Connecticut Unfair Trade Practices Act, Conn.Gen.Stat. § 42-110a et seq., ("CUTPA"), even though this statute is not referred to in the complaint. Whether viewed in the light of CUTPA, Connecticut's "anti-dilution" statute, Conn. Gen. Stat. § 35-11a *et seq.*, or other common-law principles, plaintiff's failure to accrue a protected interest

---

[1] No evidence has been offered that suggests defendants attempted to "palm off" Plan USA as one of plaintiff's products. Nor has "reverse palming off" occurred, though the magistrate is admittedly mystified as to precisely what this would constitute. Plaintiff has also not sustained his burden of demonstrating the likelihood of injury and causation stemming from the defendants' advertisements. *See Johnson & Johnson v. Carter-Wallace, Inc.*, 631 F.2d 186, 190 (2d Cir. 1980).

in the disputed artwork precludes recovery under this claim.[2]

Defendants have also moved to strike various portions of the affidavits and other materials submitted by the plaintiff in opposition to the pending Rule 56 motions. Resolution of those motions was previously deferred, *see* Endorsement (Filing 101) (Oct. 4, 1989), and they are now moot.

Defendants' motions for summary judgment should be granted.[3] The plaintiff may seek review of this decision by a United States district judge pursuant to statute and the Local Rules respecting United States magistrates. Failure to do so may preclude further review.

Dated at Hartford, Connecticut, this 26th day of January, 1990.

/s/ Thomas P. Smith
THOMAS P. SMITH
UNITED STATES
MAGISTRATE

---

[2] Although AIMS copied the Murphy artwork, "in the absence of legally-defined exclusive rights, imitation and copying is permitted and, in fact, encouraged as an essential element of competition." 1 J. McCarthy, *supra*, § 1:15; *see also American Safety Table Co. v. Schreiber*, 269 F.2d 255 (2d Cir.), *cert. denied*, 361 U.S. 915, 80 S.Ct. 259, 4 L.Ed.2d 185 (1959).

[3] Accordingly, the default judgment previously entered against defendant Massachusetts Associated Plans, Inc., *see* Filing No. 44 (November 1, 1988), should also be vacated. F.R.Civ.P. 60(b).

Supreme Court, U.S.
FILED
JUN 17 1991
OFFICE OF THE CLERK

(2)

No. 90-1815

In The

Supreme Court of the United States

October Term, 1990

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, AIMS, INC., MASSACHUSETTS ASSOCIATION PLANS, INC., AND HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

Petition For Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

JOINT BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

BARRY KRAMER
Counsel of Record
KRAMER, BRUFSKY & CIFELLI, P.C.
181 Old Post Road
P.O. Box 59
Southport, CT 06490
(203) 255-8900
Counsel for Respondent Provident Mutual Life Insurance Company of Phildelphia

BARRY L. KELMACHTER
Counsel of Record
ROBERT H. BACHMAN
GREGORY P. LAPOINTE
BACHMAN & LAPOINTE, P.C.
900 Chapel Street
Suite 1201
New Haven, CT 06510-2802
(203) 777-6628
Counsel for Respondent Harleysville Insurance Companies

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

TABLE OF CONTENTS

Page

Summary of Argument For Denial 2

Argument 3

A. Petitioner Failed To Meet His Burden Under F.R.Civ.P. 56(c) 3

B. Murphy Had No Protectable Trademark or Service Mark Rights In The Thermometer Graphic and/or The Hot Theme 5

C. Respondents Provident Mutual and AIMS Inc. Were Free To Use The Thermometer Graphic In Their Advertising 9

D. Petitioner's Statement Fails To Discuss Key Facts 11

E. Petitioner's Assertion That The Courts Are In Conflict On The Issue Of Secondary Meaning Is Incorrect 12

F. Petitioner Mischaracterizes The Basis For The Second Circuit's Majority Opinion On Likelihood Of Confusion 16

Conclusion 18

TABLE OF AUTHORITIES

Page

CASES

A. J. Canfield Co. v. Honickman, 808 F.2d 291 (3d Cir. 1986) 11, 13

Abercrombie & Fitch Co. v. Hunting World Inc., 537 F.2d 4 (2d Cir. 1976) 13

Aerosol Research Co. v. Scovill Mfg. Co., 334 F.2d 751 (7th Cir. 1964) 11

Ambrit, Inc. v. Kraft, Inc., 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987) 14

American Footwear Corp. v. General Footwear Co., Ltd., 609 F.2d 655 (2d Cir. 1979), *cert. denied*, 445 U.S. 951 (1980) 11

American Safety Co. v. Schreiber, 269 F.2d 255 (2d Cir. 1959), *cert. denied*, 361 U.S. 915, 80 S.Ct. 259, 4 L.Ed.2d 185 (1959) 7

American Television & Communications Corp. v. American Communications & Television, Inc., 810 F.2d 1546 (11th Cir. 1987) 7

Anderson v. Liberty Lobby, 477 U.S. 242, 91 L.Ed.2d 202, 106 S.Ct. 2505 (1986) 3, 4

Ashwell & Co., Inc. v. Transamerica Ins. Co., 407 F.2d 762 (7th Cir. 1969) 4

Audio Fidelity Inc. v. High Fidelity Recordings, Inc., 283 F.2d 551 (9th Cir. 1960) 16

Bada Co. v. Montgomery Ward & Co., 426 F.2d 8 (9th Cir. 1970), *cert denied*, 400 U.S. 916, 27 L.Ed.2d 155, 91 S.Ct. 174 (1970) 13

Beal v. Lindsey, 468 F.2d 287 (2d Cir. 1972) 3

TABLE OF AUTHORITIES – Continued

Page

Blau Plumbing, Inc. v. S.O.S. Fix-it Inc., 781 F.2d 604 (7th Cir. 1986) 14

Blinded Veterans Assoc. v. Blinded American Veterans Foundation, 872 F.2d 1039 (D.C. Cir. 1989) 13

Burke-Parsons-Bowlby Corp. v. Appalachian Log Homes Inc., 871 F.2d 590 (6th Cir. 1989) 13

Celotex Corp. v. Catrett, 477 U.S. 317, 91 L.Ed.2d 265, 106 S.Ct. 2548 (1986) 4

Centaur Communications, Ltd. v. A/S/M Communications Inc., 830 F.2d 1217 (2d Cir. 1987) 7

Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126, 102 S.Ct. 2947, 73 L.Ed.2d 1342 (1982) 15

Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 84 S.Ct. 779, 11 L.Ed.2d 669 (1964) 9

Co-Rect Products Inc. v. Marvy! Advertising Photography, Inc., 780 F.2d 1324 (8th Cir. 1985) 13

CPG Products Corp. v. Pegasus Luggage Inc., 776 F.2d 1007 (Fed. Cir. 1985) 15

Durham Industries, Inc. v. Tomy Corp., 630 F.2d 905 (2d Cir. 1980) 9

Educational Development Corp. v. Economy Co., 562 F.2d 26 (10th Cir. 1977) 13

Graphicana Corp. v. Baia Corp., 472 F.2d 1202 (6th Cir. 1973) 11

Hypertherm, Inc. v. Precision Prod. Inc., 832 F.2d 697 (1st Cir. 1987) 11

TABLE OF AUTHORITIES – Continued

Page

In re Advertising & Marketing Development, Inc., 821 F.2d 614 (Fed. Cir. 1987) 7

In re Dr. Pepper Co., 836 F.2d 508 (Fed. Cir. 1987) 7

In re Gyulay, 820 F.2d 1216 (Fed. Cir. 1987) 13

Litton Systems, Inc. v. Whirlpool Corp., 728 F.2d 1423 (Fed. Cir. 1984) 11

Louisiana World Exposition v. Logue, 746 F.2d 1033 (5th Cir. 1984) 14

Miller Brewing Co. v. G. Heileman Brewing Co., 561 F.2d 75 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025, 54 L.Ed.2d 772, 98 S.Ct. 751 (1977) 13

M. Kramer Mfg. Co. v. Andrews, 783 F.2d 421 (4th Cir. 1986) 15

Osem Food Industries Ltd. v. Sherwood Foods, Inc., 917 F.2d 161 (4th Cir. 1990) 15

Pizzeria Uno Corp. v. Temple, 747 F.2d 1522 (4th Cir. 1984) 13

Roho, Inc. v. Marquis, 902 F.2d 356 (5th Cir. 1990) 11

Safeway Stores Inc. v. Safeway Discount Drugs Inc., 675 F.2d 1160 (11th Cir. 1982) 13

Saxony Products, Inc. v. Guerlain, Inc., 513 F.2d 716 (9th Cir. 1975) 11

Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 84 S.Ct. 784, 11 L.Ed.2d 661 (1964) 9, 10

Soweco Inc. v. Shell Oil Co., 617 F.2d 1178 (5th Cir. 1980), *cert. denied*, 450 U.S. 981, 101 S.Ct. 1516, 67 L.Ed.2d 516 (1981) 13

TABLE OF AUTHORITIES – Continued

Page

Truck Equipment Service Co. v. Fruehauf Corp., 536 F.2d 1210 (8th Cir. 1976), *cert. denied*, 429 U.S. 861 (1976) 16

University of Georgia Athletic Ass'n v. Laite, 756 F.2d 1535 (11th Cir. 1985) 13, 14

Wiley v. American Greeting Corp., 762 F.2d 139 (1st Cir. 1985) 13

STATUTORY PROVISIONS

F.R.Civ.P. 56(c) 3, 5

Connecticut Unfair Trade Practices Act, Conn. Gen. State. 42-110a et seq. 6

TREATISES

1 J. McCarthy, *Trademarks and Unfair Competition* (2d Ed. 1984) 7

No. 90-1815

In The

Supreme Court of the United States

October Term, 1990

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, AIMS, INC., MASSACHUSETTS ASSOCIATION PLANS, INC., AND HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

Petition For Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

JOINT BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Respondents, Provident Mutual Life Insurance Company of Philadelphia ("Provident Mutual") and Harleysville Insurance Companies ("Harleysville"), hereby jointly request that the petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit filed by Petitioner Thomas M. Murphy in May, 1991 be denied.

SUMMARY OF ARGUMENT FOR DENIAL

1. The petition ("Pet.") filed by Petitioner Murphy does not address the threshold issue in this case – whether Petitioner has met his burden under Rule 56(c), F.R.Civ.P. of showing the existence of each essential element of his case. Both the U.S. District Court for the District of Connecticut and the U.S. Court of Appeals for the Second Circuit have held that Petitioner has no service mark or trademark rights in the "hot" advertising campaign theme and/or the thermometer graphic at issue. Petitioner has not alleged any error in this holding.

Having failed to establish this essential element of his case, the grant of summary judgment was proper. Thus, given the holdings below, it would be inappropriate for this Court to address the moot issues of the nature of the mark (descriptive), secondary meaning and likelihood of confusion raised by Petitioner.

2. In the absence of a trademark right or some other property right in the thermometer graphic and any evidence of passing off, Respondents Provident Mutual and AIMS Inc. ("AIMS") were free to adopt and use the identical thermometer graphic in connection with their advertisement for their insurance plan, "Plan USA". Petitioner fails to address this issue at all.

3. Petitioner's statement of facts set forth in the petition is incomplete and inaccurate. Additionally, Petitioner has created a false impression of the situation in the circuits on the issues of secondary meaning and likelihood of confusion. He does this by citing cases having to do with trade dress and not with service marks. Finally,

Petitioner mischaracterizes the basis for the Second Circuit's decision on the issue of likelihood of confusion.

ARGUMENT

A. Petitioner Failed to Meet His Burden Under F.R.Civ.P 56(c)

Respondents, Provident Mutual and AIMS, each filed a motion for summary judgment after more than eight months of discovery. Decision on these motions occurred more than ten months later after Petitioner had requested and received additional time to take discovery on all issues. Petitioner has not contended and does not contend that the motions were premature or that he did not have ample time for discovery.

After a motion for summary judgment has been filed, the non-movant, in this case Petitioner Murphy, has the burden of showing that there is a genuine issue of *material* fact which would preclude summary judgment. A material fact is a fact that affects the outcome of a suit under the governing law. *Anderson v. Liberty Lobby*, 477 U.S. 242, 248, 91 L.Ed.2d 202, 211, 106 S.Ct. 2505, 2510 (1986).

Petitioner has to make the required showing by adducing factual material which raises substantial questions as to the veracity or completeness of the moving parties' showings and/or by presenting countervailing facts. Murphy could not rely on the unsupported allegations of the complaint. *Beal v. Lindsey*, 468 F.2d 287, 291

(2d Cir. 1972). Also see, *Ashwell & Co. Inc. v. Transamerica Ins. Co.*, 407 F.2d 762, 766 (7th Cir. 1969).

To meet his burden, Murphy had to show more than a *mere scintilla* of evidence in support of his position. There had to be evidence on which a jury could reasonably find for Murphy. *Anderson v. Liberty Lobby*, 477 U.S. at 249-50.

Murphy also had the burden, in response to the summary judgment motions, of making a showing sufficient to establish the existence of those *essential* elements on which he would bear the burden of proof at trial. Failure to make the required showing for *any* essential element results in the movants being entitled to entry of summary judgment because there can be "no genuine issue as to any material facts" since a complete failure of proof concerning an *essential* element renders all other facts immaterial. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23, 91 L.Ed.2d 265, 273, 106 S.Ct. 2548, 2552 (1986).

The function of a court in deciding a summary judgment motion is not to weigh the evidence and determine the truth of the matter but rather to determine whether there is a genuine issue for trial. There is no such issue however unless there is sufficient evidence favoring the non-moving party for a jury to return a verdict for that party. The inquiry thus becomes whether the evidence presented is sufficient to submit the case to a jury or whether it is so one-sided that one party must prevail as a matter of law. *Anderson v. Liberty Lobby*, 477 U.S. at 251-252.

Respondents submit that the courts below correctly carried out their responsibility. They carefully reviewed

the evidence presented by Petitioner and found it to be lacking on virtually every essential element of his claim. In other words, Petitioner failed to meet his burden under Rule 56(c). The petition is inadequate insofar as it fails to discuss this aspect of the case at bar.

B. Murphy Had No Protectable Trademark or Service Mark Rights In the Thermometer Graphic and/or the Hot Theme

Most significantly, the courts below held as a matter of law that Petitioner has no service mark or trademark rights in the thermometer graphic and/or the "hot" theme of the advertising. Petitioner does not allege any error in these holdings.

The three questions presented by Petitioner for consideration by this Court are all premised on the presence of protectable trademark or service mark rights in the thermometer graphic – which the courts below held did not exist.

In the District Court, Magistrate Smith's opinion (which was adopted, ratified and affirmed by Judge Eginton, after *de novo* consideration) was quite specific about the absence of any service mark or trademark right:

> " . . . , it should be clear that to the extent plaintiff [Murphy] is claiming the right to the exclusive use of a 'hot' theme or 'hot' campaign, protection is not available under § 43(a)" . . . (see, Appendix to Petition for a Writ of Certiorari (hereinafter "App.") at p. 24a).

Continuing, the Magistrate stated:

> "Since plaintiff cannot prevent defendants from adopting a similarly *themed* advertising campaign, he may be entitled to protect that component of the EDT ad which was allegedly copied, namely the thermometer graphic. It is apparent, however, that the graphic was neither used as a mark or functioned to identify and distinguish EDT from other plans, and therefore does not qualify as a potentially protectable trademark.
>
> It is beyond dispute that the thermometer actually was used and functioned as an 'attention-getting device' rather than an identifying mark . . . Its presence in the ad was dictated by plaintiff's desire to *promote* EDT; . . .
>
> Because the thermometer artwork did not function as a trademark, plaintiff cannot pursue his claim under § 43(a). A different result would serve to contravene federal copyright law by permitting virtually unlimited protection of artwork and other graphic materials under the Lanham Act when such protection is not available under the copyright statute". (App., pp. 24a-25a)

Addressing Petitioner's Second Count, i.e., a claim for violation of Connecticut's common law of unfair competition (which the parties treated as a claim under the Connecticut Unfair Trade Practices Act, Conn. Gen. State. § 42-110a et seq.), the Magistrate stated:

> " . . . [P]laintiff's failure to accrue a protected interest in the disputed artwork precludes recovery under this claim.[2]

---

[2] Although AIMS copied the Murphy artwork, 'in the absence of legally – defined exclusive rights,

> imitation and copying is permitted and, in fact, encouraged as an essential element of competition.' 1 J. McCarthy, *supra*, § 1:15; see also *American Safety Table Co. v. Schreiber*, 269 F.2d 255 (2d Cir.) *cert. denied*, 361 U.S. 915, 80 S.Ct. 259, 4 L.Ed.2d 185 (1959)." (App. pp. 30a-31a)

The Second Circuit Court of Appeals in affirming the District Court's decision held that Petitioner Murphy has no protectable service mark in his "hot campaign" and the "thermometer" graphic. Again, Petitioner does not contest this holding or allege any error in regard thereto.

The Second Circuit makes several critical observations in its opinion – the most significant of which is that "similarity, even identity, is not enough if Murphy had no interest in the words and the graphic that entitled him to restrict their use" citing *Centaur Communications, Ltd. v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1221 (2d Cir. 1987); *American Television & Communications Corp. v. American Communications & Television, Inc.*, 810 F.2d 1546, 1548 (11th Cir. 1987). (See App., p. 4a)

The Second Circuit also correctly observed that service mark rights cannot be established for services that are solely for the benefit of the performer. The services must be rendered to others. *In re Dr. Pepper Co.*, 836 F.2d 508, 509 (Fed. Cir. 1987); *In re Advertising & Marketing Development, Inc.*, 821 F.2d 614, 619 (Fed. Cir. 1987).

Applying this rule of law to the facts of this case, the Court of Appeals stated:

> "Assuming that Murphy's sale of his insurance expertise to others may be treated as a service under the Act, the advertising of this service, as distinguished from its performance may

> not . . . In short, the theme of Murphy's advertising campaign is not a service for which a service mark could be claimed. It follows that, if Murphy was selling insurance, a product, rather than his expertise in the field, he performed no services that a service mark might be said to identify". (App., p. 5a)

The EDT advertisement propounded by Petitioner (App., p. 32a) is clearly directed to the promotion of the *product* Employers Dental Trust, a dental insurance plan, and not his services. It talks solely about the features of the product, i.e., "available to groups with 3-49 employees", "choice of any licensed dentist", "orthordontia option available", etc. Even the fact that EDT is administered by Petitioner Murphy is a feature of the product. There is nothing in the advertisement which is remotely directed to the identification of a service to be performed by Petitioner for the benefit of others.[1]

Despite ample time to do so, Petitioner failed to meet his burden of making a showing sufficient to establish the existence of the alleged service marks – the most *essential* element of his case. Thus, the award of summary judgment was proper.

The discussions by the United States District Court for the District of Connecticut and the United States Court of Appeals for the Second Circuit on the issues of the nature of the mark, i.e., a descriptive mark, secondary meaning and likelihood of confusion are nothing more

---

[1] Again as stated by Magistrate Smith, "it is beyond dispute that the thermometer artwork was used and functioned as an attention-getting device; rather than an identifying mark". (App., p. 25a)

than an attempt by these courts to be thorough in pointing out the other deficiencies of Plaintiff's showings on the essential elements of his case. Even if this Court decided that the decision of the court below on the issues raised by Petitioner was in error, the ultimate result would not change. Summary judgment was properly granted because there was no service mark as a matter of law.

Petitioner's assertion that the key determination in this case was that the mark was descriptive and thus secondary meaning had to be shown is incorrect. The key determination was that *there was no protectable mark.*

C. Respondents Provident Mutual and AIMS Inc. Were Free to Use The Thermometer Graphic In Their Advertising

In affirming the dismissal of the unfair competition claim under Connecticut state law, the Second Circuit clearly stated:

> " . . . Because the thermometer graphic did not attain service mark status, the graphic was left in the public domain. Absent some legally defined exclusive right, the law permits and encourages imitation and copying of marks that are in the public domain. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231-32, 84 S.Ct. 784, 788-89, 11 L.Ed. 2d 661 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 237-38, 84 S.Ct. 779, 781-82, 11 L.Ed.2d 669 (1964); *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905-908 (2d Cir. 1980) . . . ". (App., p. 12a)

On appeal to the Second Circuit, Petitioner also raised an argument that he had trade dress rights in the

thermometer graphic. This argument was rejected by the court with Circuit Judge Van Graafeiland stating:

> "Murphy contends that his mark was a service mark, a mark that concededly played no role in the performance of the services. Neither the word 'hot' nor the thermometer was incorporated in or made a part of the plans or programs that Murphy produced. Although in a proper case a particular sales technique might be treated as part of a product's trade dress, . . . the contents of Murphy's advertisements, standing alone, cannot be considered as trade dress for his services. Under the circumstances, the court below did not err in failing to adopt the concept of trade dress." (App., p. 10a).

Having failed to establish any legally defined exclusive right such as trade dress, service mark or copyright, Petitioner could not prevent Respondents from using what he, through his own inadvertence or ignorance of the law, left in the public domain. The ability to copy such public domain material, absent passing off, is well established. See *Sears, Roebuck & Co. v. Stiffel. Co., supra; Compco v. Day-Brite Lighting, Inc., supra.*

On the surface it may appear that Respondents have committed an aggregious act by copying the thermometer graphic; however, Respondents did nothing more than that which the law allows them to do. It is Petitioner who failed to meet the legal requirements for an exclusive property interest.

There is no conflict in the courts of appeals as to whether absent a protectable property interest, copying is permissible providing the copyist does not attempt to pass off its goods or services as those of another. See, for

example, *Litton Systems Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed. Cir. 1984); *Hypertherm, Inc. v. Precision Prod. Inc.*, 832 F.2d 697 (1st Cir. 1987); *American Footwear Corp. v. General Footwear Co., Ltd.*, 609 F.2d 655 (2d Cir. 1979), *cert. denied*, 445 U.S. 951 (1980); *A.J. Canfield Co. v. Honickman*, 808 F.2d 291 (3d Cir. 1986); *Roho, Inc. v. Marquis*, 902 F.2d 356 (5th Cir. 1990); *Graphicana Corp. v. Baia Corp.*, 472 F.2d 1202 (6th Cir. 1973); *Aerosol Research Co. v. Scovill Mfg. Co.*, 334 F.2d 751 (7th Cir. 1964); and *Saxony Products, Inc. v. Guerlain, Inc.*, 513 F.2d 716 (9th Cir. 1975). Petitioner has never raised the issue of passing off in this case.

D. Petitioner's Statement Fails to Discuss Key Facts

For the sake of completeness, Respondents point out several key facts omitted from Petitioner's petition which the Court should be aware of in its deliberations.

On page 3 of the petition, Petitioner states that in January 1986, he created and marketed the dental insurance plan known as Employers Dental Trust. He neglects to state that during 1986, he used a hot coffee cup graphic to depict the "hot" theme of the advertising. According to Petitioner, the function of the coffee cup, as well as the thermometer, was solely as an "attention-getting" device.

Beginning in September, 1987, Murphy changed the theme of his advertising from "hot" sales to "boosted" sales and replaced the thermometer with a man on a rocket. In May, 1988, he changed again, this time to the theme of "rising" sales, with a man in a balloon replacing the man on a rocket. (App., p. 2a-3a). In short, Petitioner

used four different graphics in connection with EDT advertisements within a two year period.

Petitioner has contended that the usefulness of the thermometer graphic to him was destroyed by confusion. These contentions are unsubstantiated by any probative evidence. Petitioner unilaterally made the determination that the thermometer graphic was destroyed and decided to adopt new themes and graphics, i.e., the rocket and the balloon. Petitioner, despite ample discovery, has never proven that he suffered any damage from Respondents' activities or that these activities prevented him from continuing his use of the thermometer graphic.

Petitioner infers in his petition (see Pet., page 12, last line and Pet., page 18, last paragraph) that AIMS used the thermometer graphic as a mark. This inference is wrong. None of the Respondents have ever claimed any trademark or service mark rights to the thermometer graphic. This is because the thermometer graphic was never used in such a capacity. It was merely an adornment to the advertising for Plan U.S.A.

E. Petitioner's Assertion That The Courts Are In Conflict on the Issue of Secondary Meaning Is Incorrect

Petitioner argues that the Second Circuit's decision that he had to establish secondary meaning in the thermometer graphic is in error and, in fact, conflicts with the decisions of other courts of appeal. Respondents submit that this argument is incorrect.

Every circuit has adopted the rule that marks fall into four categories: (a) arbitrary or fanciful; (b) suggestive;

(c) descriptive; and (d) generic. *Every* circuit uses the same definition for a descriptive mark, i.e., it tells something about the product/service. Finally, *every* circuit requires a showing of secondary meaning for a descriptive mark. See *University of Georgia Athletic Ass'n v. Laite*, 756 F.2d 1535 (11th Cir. 1985); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976); *Educational Development Corp. v. Economy Co.*, 562 F.2d 26 (10th Cir. 1977); *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025, 54 L.Ed.2d 772, 98 S.Ct. 751 (1977); *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178 (5th Cir. 1980), *cert. denied*, 450 U.S. 981, 101 S.Ct. 1516, 67 L.Ed.2d 516 (1981); *Wiley v. American Greeting Corp.*, 762 F.2d 139 (1st Cir. 1985); *Safeway Stores, Inc. v. Safeway Discount Drugs Inc.*, 675 F.2d 1160 (11th Cir. 1982); *Bada Co. v. Montgomery Ward & Co.*, 426 F.2d 8 (9th Cir. 1970), *cert. denied*, 400 U.S. 916, 27 L.Ed.2d 155, 91 S.Ct. 174 (1970); *A.J. Canfield v. Honickman, supra; Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522 (4th Cir. 1984); *Co-Rect Products, Inc. v. Marvy! Advertising Photography, Inc.*, 780 F.2d 1324 (8th Cir. 1985); *Burke-Parsons-Bowlby Corp. v. Appalachian Log Homes, Inc.*, 871 F.2d 590 (6th Cir. 1989); *In re Gyulay*, 820 F.2d 1216 (Fed. Cir. 1987); *Blinded Veterans Assoc. v. Blinded American Veterans Foundation*, 872 F.2d 1039 (D.C. Cir. 1989). Despite Petitioner's assertion to the contrary, there is no dispute amongst the circuits as to whether a showing of secondary meaning is required for a descriptive mark.

Petitioner's argument is thus reduced to a disagreement with the Second Circuit as to whether the thermometer graphic, assuming it was a mark, was descriptive.

Magistrate Smith in his opinion clearly set out the reasons why the graphic would be a descriptive mark and the Second Circuit affirmed.

The cases relied upon by Petitioner to support his position are hardly illuminating on this issue. The *AmBrit Inc. v. Kraft, Inc.*, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987), case (Pet., p. 22) cited by Petitioner is a *trade dress* case having to do with the packaging used in connection with ice cream bars. It is easy to reconcile the decision in *AmBrit* and the case at bar – the facts are different. One (*AmBrit*) relates to the packaging used on a product. The other relates to an alleged service mark not used in connection with Petitioner's services. The same is true of the *Louisiana World Exposition v. Logue*, 746 F.2d 1033 (5th Cir. 1984), case cited by Petitioner. (Pet., p. 23) Petitioner's argument lacks any cogent discussion of why the District Court and Second Circuit analyses are in error in light of these cases.

Petitioner, on page 25 of his petition, cites a number of cases for the proposition that other courts of appeals do not require a showing of secondary meaning for unregistered non-verbal marks. On the surface, these cases appear to support Petitioner; however, a close examination shows that they too are easily distinguishable.

In *University of Ga. Athletic Ass'n v. Laite, supra*, the Court found the non-verbal mark (a depiction of a bulldog) to be suggestive and therefore, no showing of secondary meaning was required. The other cited cases are all *trade dress* cases, e.g. *Blau Plumbing, Inc. v. S.O.S. Fix-it*

Inc., 781 F.2d 604 (7th Cir. 1986) (*trade dress* case concerning rectangular box containing written information in particular format used in advertisements); *CPG Products Corp. v. Pegasus Luggage, Inc.*, 776 F.2d 1007 (Fed. Cir. 1985) (*trade dress* case involving ornamental embellishments on luggage); *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981), *cert. denied*, 457 U.S. 1126, 102 S.Ct. 2947, 73 L.Ed.2d 1342 (1982) (*trade dress* case involving packages used to sell lawn and garden products). As previously discussed, the Second Circuit rejected Petitioner's claim that he had *trade dress* rights to the thermometer graphic. The Second Circuit also rejected the argument that the thermometer graphic was suggestive.

Petitioner further argues that courts have found that intentional copying of a mark demonstrates that secondary meaning has been established. The cases relied upon by Petitioner are again primarily *trade dress* cases. *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421 (4th Cir. 1986), involves a claim of *trade dress* infringement wherein defendant was accused of copying a console housing a computer video game, the artwork on the glass panel upon which the video graphics were displayed, and the name "Hi-Lo Double Up Joker Poker". In the *Kramer* opinion, the Fourth Circuit notes that the Second Circuit does not require proof of secondary meaning when a defendant deliberately copies a plaintiff's *trade dress*. See *Kramer*, 783 F.2d at 449.

With respect to the other cases relied upon by Petitioner, *Osem Food Industries, Ltd. v. Sherwood Foods, Inc.*, 917 F.2d 161 (4th Cir. 1990), is a *trade dress* case involving the copying of plaintiff's package for dehydrated soup

and *Truck Equipment Service Co. v. Fruehauf Corp.*, 536 F.2d 1210 (8th Cir. 1976), *cert. denied*, 429 U.S. 861 (1976), is a *trade dress* case involving defendant's copying of plaintiff's trailer-truck design. *Audio Fidelity, Inc., v. High Fidelity Recordings, Inc.*, 283 F.2d 551 (9th Cir. 1960), involves the language, the art work, and the format expressing the language used on record jackets. To quote the Court in *Audio*, "[t]his case raises no question as to patent, copyright or trademark". It is an unfair competition case.

In summary, the Second Circuit's consideration of Petitioner's showing on the issue of secondary meaning was correct.

F. Petitioner Mischaracterizes the Basis for the Second Circuit's Majority Opinion on Likelihood of Confusion

Petitioner mischaracterizes the decision of the Second Circuit when he states that "[i]n reviewing the district court's 'legal conclusion' that there was no likelihood of confusion, the court placed particular reliance on the fact that both Petitioner's ad and the AIMS ad listed the names of the plans, the administrators and the underwriters". (Pet., p. 7)

Circuit Judge Van Graafeiland in discussing the inadequacy of Petitioner's likelihood of confusion showing stated:

> " . . . Murphy argues that he had provided evidence of actual confusion with the affidavits of three insurance executives[2] in which they

---

[2] The three insurance executives referred to by Judge Van Graafeiland include a close business acquaintance of Petitioner

(Continued on following page)

> state that they associated the thermometer graphic with Murphy and were initially confused when they saw the AIMS advertisement, thinking that Murphy had created it. However, to be relevant, Murphy's evidence of confusion must address the issue of whether the allegedly infringing advertisement created confusion as to the source of the insurance plans depicted in the advertisement. The three insurance executives stated that they were not confused as to the source of the plan. We agree with the magistrate's view that Murphy has not provided sufficient probative evidence to allow a jury to conclude that there was a likelihood of confusion". (App., p. 9a)

Respondents submit that the Court's review of the evidence proffered by Petitioner on the issue of likelihood of confusion, the only evidence on this issue, was appropriate and correct in the context of deciding a summary judgment motion. The Second Circuit, as well as the District Court, determined that Petitioner had not met his burden of making a showing sufficient to establish the existence of this element of his case. As shown above the Second Circuit clearly stated the reason why Petitioner's showing was deficient.

With respect to Petitioner's allegation that the Second Circuit relied heavily on the presence of the parties' names on the respective ads to decide the issue of likelihood of confusion, Respondents submit that this reading

---

(Continued from previous page)

and two employees of EDT's underwriters who had responsibility for approving the EDT's thermometer advertising and whom are not members of the class to whom the advertising was directed.

is incorrect. Judge Van Graafeiland's opinion contains two sentences setting out the majority's view that the presence of the names helped avoid any confusion as to the source of the services or products in question.[3] A view which is amply supported by the testimony of the insurance executives who readily understood that the respective advertisements came from different sources.[4]

CONCLUSION

The Courts below found that the thermometer graphic at issue never attained service mark status and that Petitioner had no other exclusive right to its use. Petitioner does not allege any error or impropriety in these findings. The issues of likelihood of confusion and secondary meaning raised in the petition are therefore moot in the context of the present case.

Since the thermometer graphic was in the public domain and could be freely used by Respondents, given

---

[3] Petitioner is inconsistent in urging that the Second Circuit acted improperly in considering the presence of the parties names on the respective advertisements (Pet.,p. 7) and at the same time urging that the Court should have considered AIMS' name on its ads as one of the factors in determining likelihood of confusion. (Pet., p. 18)

[4] The testimony of the insurance executives propounded by and relied upon by Petitioner was to the effect that they were confused as to the *ownership* of the hot thermometer campaign and the thermometer symbol. As pointed out by Magistrate Smith, such confusion is not relevant to Petitioner's claim of trademark infringement. The confusion must be as to the source of the respective plans. (App., p. 29a)

the total absence of any passing off, it would be inappropriate for this Court to ever reach the issues of secondary meaning and likelihood of confusion raised by Petitioner both of which presume the existence of a mark.

Accordingly, the petition for a writ of certiorari should be denied.

Respectfully Submitted,

BARRY KRAMER
Counsel of Record
KRAMER, BRUFSKY & CIFELLI, P.C.
181 Old Post Road
P.O. Box 59
Southport, CT 06490
(203) 255-8900

Counsel for Respondent Provident Mutual Life Insurance Company of Philadelphia[5]

BARRY L. KELMACHTER
Counsel of Record
ROBERT H. BACHMAN
GREGORY P. LAPOINTE
BACHMAN & LAPOINTE, P.C.
900 Chapel Street
Suite 1201
New Haven, CT 06510-2802
(203) 777-6628

Counsel for Respondent Harleysville Insurance Companies[6]

---

[5] Provident Mutual Insurance Company of Philadelphis is not owned by any parent corporation and has no subsidiaries except wholly owned subsidiaries.

[6] Harleysville Insurance Companies has two major components: Harleysville Group Inc. and Harleysville Mutual Insurance Company. Harleysville Group Inc. has the following subsidiaries: Atlantic Insurance Company of Savannah, Harleysville Insurance Company of New Jersey, Huron Insurance Company, Worcester Insurance Company, New York Casualty Insurance Company and Phoenix General Insurance Company. Harleysville Mutual has the following subsidiaries: Pennland Insurance Company and Harleysville Life Insurance Company.

Supreme Court, U.S.
FILED
JUL 5 1991
OFFICE OF THE CLERK

No. 90-1815

In The

Supreme Court of the United States

October Term, 1991

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, AIMS, INC., MASSACHUSETTS ASSOCIATION PLANS, INC., and HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

REPLY BRIEF FOR THE PETITIONER

STEPHEN M. TRATTNER
LEWIS & TRATTNER
Suite 803
1901 L Street, N.W.
Washington, D.C. 20036
(202) 331-1416

JAMES D. HOLZHAUER
Counsel of Record
LEE N. ABRAMS
MAYER, BROWN & PLATT
190 South LaSalle Street
Chicago, Illinois 60603
(312) 782-0600

Counsel for Petitioner

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

TABLE OF CONTENTS

Page

Reply Brief for the Petitioner 1

Conclusion 10

TABLE OF AUTHORITIES

Page

CASES

AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987).....6, 7

Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986) 3

Application of Colonial Stores, Inc., 394 F.2d 549 (C.C.P.A. 1968) 8

Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc., 781 F.2d 604 (7th Cir. 1986)..... 8

Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982) 8

In Re Advertising & Marketing Development, Inc., 821 F.2d 614 (Fed. Cir. 1987)..... 4

In Re Dr. Pepper Co., 836 F.2d 508 (Fed. Cir. 1987) 4

LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71 (2d Cir. 1985)..... 8

Louisiana World Exposition, Inc. v. Logue, 746 F.2d 1033 (5th Cir. 1984).....6, 8

Marathon Mfg. Co. v. Enerlite Products Corp., 767 F.2d 214 (5th Cir. 1985)..... 2

Menendez v. Holt, 128 U.S. 514 (1888)..... 9

Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203 (1942)..... 6

Plus Products v. Plus Discount Foods, Inc., 722 F.2d 999 (2d Cir. 1983) 2

TABLE OF AUTHORITIES – Continued

Page

Scandia Down Corp. v. Euroquilt, Inc., 772 F.2d 1423 (7th Cir. 1985), cert. denied, 475 U.S. 1147 (1986) 1

Sweats Fashions, Inc. v. Pannill Knitting Co., 833 F.2d 1560 (Fed. Cir. 1987) 2

University of Ga. Athletic Ass'n v. Laite, 756 F.2d 1535 (11th Cir. 1985) 6, 8

MISCELLANEOUS

J. McCarthy, *Trademarks and Unfair Competition* (2d ed. 1984) ..... *passim*

No. 90-1815

In The

Supreme Court of the United States

October Term, 1991

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, AIMS, INC., MASSACHUSETTS ASSOCIATION PLANS, INC., and HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

REPLY BRIEF FOR THE PETITIONER

1. Respondents do not attempt to refute our argument (Pet. 11-16) that the courts of appeals are in conflict over the critical issue of whether likelihood of confusion is a question of law or a question of fact. See 2 J. McCarthy, *Trademarks and Unfair Competition* § 23:22, at 111-112 (2d ed. 1984) ("*McCarthy*"). The majority of the circuits have joined the Seventh Circuit in holding that "the question of likelihood of confusion is all fact and no law." *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1428 (7th Cir. 1985) (Easterbrook, J.), cert. denied, 475 U.S. 1147

(1986). But the Second Circuit in this case applied its rule that "the ultimate determination of likelihood of confusion" is a question of law (Pet. App. 8a) and that the trial court, rather than the jury is responsible for "balancing" or "weigh[ing]" all of the facts and circumstances to determine whether confusion is likely. *Plus Products v. Plus Discount Foods, Inc.*, 722 F.2d 999, 1004-1005 (2d Cir. 1983).

The issue of whether likelihood of confusion is a question of law or one of fact arises most often when there is a dispute as to the standard of review on appeal. But the issue is also of great significance at the summary judgment stage. Courts in the Second Circuit and in the other circuits that regard likelihood of confusion as a question of law take it upon themselves to weigh the facts and circumstances and to decide whether potential customers are likely to be confused. As the Federal Circuit has put it, because likelihood of confusion is a question of law, the trial court "may unquestionably resolve that issue on summary judgment." *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 1565 (Fed. Cir. 1987). But in the circuits that regard likelihood of confusion as purely a question of fact, it will ordinarily be the function of the jury to determine whether customers are likely to be confused; when that factual issue is genuinely in dispute, summary judgment will be inappropriate. See, *e.g.*, *Marathon Mfg. Co. v. Enerlite Products Corp.*, 767 F.2d 214, 217 (5th Cir. 1985).

In this case, the significance of the Second Circuit's rule is particularly apparent from the analysis by the courts below of the fact that "the names of the products and the plan administrators [were] clearly indicated" on

both advertisements. (Pet. App. 9a.) The district court held that "[t]here is hardly likelihood of confusion" under such circumstances. *Id.* at 29a. The court of appeals, based on its "own examination of [respondents'] advertisement" (*id.* at 9a-10a) found that there could be no likelihood of customer confusion. But it is beyond dispute that in the majority of circuits that regard likelihood of confusion as a question of fact, it would have been left for the jury to decide whether, considering all of the evidence (including the inclusion of names in the ads), confusion was likely.

This Court should grant the petition to resolve the conflict among the circuits over this critical issue and to establish that in cases under the Lanham Act, as elsewhere, it is not the trial court's function "at the summary judgment stage * * * to weigh the evidence and determine the truth of the matter." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986).

2. Rather than addressing the significant and troubling legal issues raised by the petition, respondents attempt to divert attention from these issues by arguing that the court of appeals held that petitioner had no "protectable trademark or service mark rights in the thermometer graphic" (Br. in Opp. 5) and that respondents were therefore "free to use the thermometer graphic in their advertising". *Id.* at 9.[1] In respondents' view, the

---

[1] Petitioner does *not* argue that he has any protectable right to exclusive use of a "hot" theme, only that he has an exclusive right to use the distinctive bursting-thermometer graphic that he developed to symbolize and identify his "hot" insurance plans.

court of appeals' discussion of likelihood of confusion and secondary meaning – as well as Judge Kearse's dissent on those issues – was mere dicta. But respondents' argument begs the crucial question of *why* the court of appeals held that petitioner had no protectable interest in the graphic. The court reached that conclusion because it found that petitioner had not shown secondary meaning or likelihood of confusion – and in making that finding the court necessarily considered and decided the legal issues presented by the petition.

The court of appeals discussed at length (Pet. App. 4a-6a) whether petitioner's claim was properly one of trademark or service mark infringement, but in the end did not find it necessary to resolve that question because "under the facts of this case, it makes little difference whether [petitioner] is claiming a trademark or a servicemark. * * * Whether a mark is one or the other, the standards for determining infringement are essentially the same." (Pet. App. 6a.)[2] The court then went on to

---

[2] Because the court of appeals found it unnecessary to decide whether petitioner's claim was properly one for trademark infringement or instead one for service mark infringement, its citation (Pet. App. 5a) of *In re Dr. Pepper Co.*, 836 F.2d 508 (Fed. Cir. 1987) and *In re Advertising & Marketing Development, Inc.*, 821 F.2d 614 (Fed. Cir. 1987), was dictum, as was the passage of its opinion quoted at length by respondents at pages 7-8 of their Brief in Opposition. There can be no doubt that petitioner was offering *either* products or services (one or the other) and therefore was entitled to either trademark or service mark protection if the prerequisites for such protection were met. This case is therefore not at all analogous to *In re Dr. Pepper* (which held that a contest to promote one's own goods was not a service) or *In re Advertising & Marketing, Inc.* (which held that advertising and promotion performed for others *was* a service).

examine whether petitioner had a protectable interest in the distinctive bursting-thermometer graphic. (Pet. App. 6a-10a.) The court held that the mark was "descriptive" (*id.* at 6a); that petitioner "could prevail only if he established that the mark had acquired secondary meaning and that there was a likelihood of confusion as to the source of the insurance plans represented in the advertisement" (Pet. App. 7a); and that, as a matter of law, there was no likelihood of confusion. (Pet. App. 9a-10a.)

In no respect was the court's analysis of the issues presented by the petition (or Judge Kearse's sharp disagreement with that analysis) mere dictum or unnecessary to its affirmance of summary judgment. The court of appeals held that petitioner had no protectable rights in the thermometer graphic *because* in its view the mark was "descriptive" and there was no likelihood of confusion as a matter of law. As we point out in the petition, the court of appeals' analysis in several respects departs from the approach taken in similar cases by other circuits. Review by this Court is necessary to ensure that rights to trademark and service mark protection do not vary from circuit to circuit across the country.[3]

---

[3] Respondents are correct in pointing out (Br. in Opp. 6, 8 n.1) that the magistrate held in part that the bursting-thermometer graphic was not a valid trademark or service mark because it "functioned as an 'attention-getting device' rather than an identifying mark" and was used "to *promote*" petitioner's dental plan. (Pet. App. 25a.) The court of appeals did not rely on that rationale, however, and was astute in not doing so. This Court and others have long recognized that one of the many proper – and protectable – purposes of a mark is to promote

(Continued on following page)

3. Contrary to respondents' assertions (Br. in Opp. 12-13), we do not claim that there is a conflict among the circuits on the question of whether a showing of secondary meaning is required for merely descriptive marks. Instead, we argue (Pet. 21-24) that the court of appeals' conclusion that petitioners' distinctive graphic was "merely descriptive" simply because it exemplified a characteristic of the insurance plan cannot be reconciled with decisions of other circuits. See *e.g., AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1536-1537 (11th Cir. 1986) (holding that a distinctive design that exemplifies a quality – coldness – of the product is not merely descriptive), cert. denied, 481 U.S. 1041 (1987); *University of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1541 n.16 (11th Cir. 1985) (University's distinctive bulldog symbol is not merely descriptive even though it suggests some attributes of the football team); *Louisiana World Exposition, Inc. v. Logue*, 746 F.2d 1033, 1040 (5th Cir. 1984) (distinctive mark that

---

(Continued from previous page)

products or services. Trademark users seek to take advantage of "the psychological function of symbols" and to establish "the drawing power of a congenial symbol"; "[i]f another poaches upon the commercial magnetism of the symbol * * *, the owner can obtain legal redress." *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942). See also 1 *McCarthy* § 3:5, at 115-116 (discussing the advertising function of trademarks). Such well-known service marks as McDonalds' golden arches and the Dreyfus lion serve as "attention-getting" or promotional devices; surely they do not lose their protected status for that reason.

exemplifies the theme of the New Orleans World's Fair is not merely descriptive).[4]

Respondents assert – without any support – that "[e]very circuit uses the same definition for a descriptive mark, i.e., it tells something about the product/service." (Br. in Opp. 13.) That does seem to be the operative definition in the Second Circuit, but it is certainly *not* the rule in every circuit. *AmBrit, University of Ga. Athletic Ass'n, Louisiana World Exposition* and the other cases cited in the petition (at 21-24) stand for the contrary proposition that in other circuits marks are not merely descriptive even though they "tell something about" the product or service (as many marks do). In those courts, a mark is not regarded as "merely descriptive" unless the *only* thing it does is describe or depict the product or service. In other words, a mark must be *merely* descriptive

---

[4] We do demonstrate in the petition (at 24-25) that there is a conflict among the circuits over whether a showing of secondary meaning is required in every case involving unregistered, nonverbal marks. The court of appeals invoked its rule (followed also by the Sixth and Eighth Circuits) that secondary meaning is *always* required in such cases as an alternative ground for its decision. (Pet. App. 7a.) The Federal, Fifth, Seventh and Eleventh Circuits – along with the leading trademark commentator – disagree. See Pet. 25; 2 *McCarthy* § 27:3, at 349-350 and Supp. 1990 at 109. Respondents have made no serious effort to refute the existence of this important legal conflict, but instead point to unimportant factual distinctions between the cases, such as the fact that some of the cases involve trade dress claims (an inconsequential distinction we discuss *infra* p. 8). Whatever the precise facts of each case, the courts of appeals clearly apply conflicting legal rules, and at least four circuits would have decided this issue differently than the Second Circuit decided it. This Court should grant the petition to resolve that conflict.

to fall within this category of diminished protection. See also *Application of Colonial Stores Inc.*, 394 F.2d 549, 552-553 (C.C.P.A. 1968) ("Sugar and Spice" trademark for food products is not merely descriptive because it "does not tell the potential purchaser *only* what the goods are, their function, their characteristics or their use * * * "); 1 *McCarthy* § 11:6 at 446-447 & § 11:22, at 498.

4. Respondents claim that *AmBrit* and some of the other cases cited in the petition should be disregarded because they involve trade dress, rather than trademark or service mark infringement, but that distinction does not make a difference. The legal analysis of secondary meaning and likelihood of confusion are identical in trademark, service mark and trade dress cases. See, *e.g.*, *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 608 (7th Cir. 1986); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985); *Chevron Chem. Co. v. Voluntary Groups, Inc.*, 659 F.2d 695, 702-703 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982); 1 *McCarthy* § 8:3, at 287 & n.3, and additional cases cited therein. In any event, both *University of Ga. Athletic Ass'n* and *Louisiana World Exposition* are trademark or service mark cases. And there is absolutely no reason to believe that the circuits that disagree with the Second Circuit would abandon their longstanding rules and instead decide this case as the court below decided it merely because of the inconsequential factual distinctions offered by respondents.[5]

---

[5] Respondents only reply (Br. in Opp. 15) to our showing that other courts regard proof of intentional copying as pro-

(Continued on following page)

5. Finally, respondents attempt (Br. in Opp. 16-18) to downplay the significance of the court of appeals' holding that there could be no likelihood of confusion because respondent AIMS included its name along with its copy of petitioners' graphic on the offending advertisements. (Pet. App. 9a.) But as Judge Kearse forcefully pointed out in her dissent (Pet. App. 15a), "the [panel] majority seem[ed] to believe that as a matter of law there was no likelihood of confusion because AIMS's name appeared on its own ad." And, as we point out in the petition (at 17-18), that aspect of the court of appeals' decision is contrary to *Menendez v. Holt*, 128 U.S. 514, 521 (1888), and conflicts with decisions of several other courts of appeals.

(Continued from previous page)

bative of secondary meaning is that *some* of the cases we rely upon are trade dress cases. But again, as we demonstrate *supra* p. 8, the same legal analysis applies in trade dress cases as in service mark or trademark cases. In trade cases as well as trademark and service mark cases, most courts regard proof of intentional copying as probative of secondary meaning. See 1 *McCarthy* § 15:12, at 688.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

STEPHEN M. TRATTNER
LEWIS & TRATTNER
Suite 803
1901 L Street, N.W.
Washington, D.C. 20036
(202) 331-1416

JAMES D. HOLZHAUER
Counsel of Record
LEE N. ABRAMS
MAYER, BROWN & PLATT
190 South LaSalle Street
Chicago, Illinois 60603
(312) 782-0600

Counsel for Petitioner

July 1991